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Southeast Asia Report

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SOUTHEAST ASIA REPORT

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SPECULATION FOLLOWS SUDDEN RESIGNATION OF WHEAT BOARD CHIEF

Sydney THE AUSTRALIAN in English 27 Feb 86 p 13

[Article by Anthony Hoy]

[Text]

THE Australian wheat industry is abuzz with speculation as to why a relatively youthful chief executive of one of the world's largest commodity traders and currency market players would suddenly throw away an $80,000 salary package, with no alternative employment in the offing.

During a seemingly routine meeting of the Australian Wheat Board on February 13, general manager Donald Sandow submitted his resignation and immediately left his office.

Only a fortnight before, an apparently healthy Mr Sandow, said to be in his late 60s, had appeared confident and firmly entrenched as administrative front man of the board while mixing it with diplomats, farmers, politicians and industry personnel at the National Agricultural Outlook Conference in Canberra.

The official explanation by a board spokesman was that the resignation had been accepted on February 17 after being submitted during the board meeting four days earlier. Mr Sandow had further discussed his resignation with outgoing board chairman, Sir Leslie Price, on February 14.

"The resignation came as a complete surprise," the spokesman said. "There was nothing on the meeting agenda to suggest anything abnormal. No one is aware of any particular issue that developed.

"The matter is being played very close to the chests of the acting general managers and the people who do know — the chairman, board members and the general manager. The resignation was very much a matter of mutual agreement and goodwill on both sides."

Disquiet over Mr Sandow's abrupt departure and concern over the board's clamming up on the issue stems from the industry's perception that the general manager was doing a good job. The biggest feather in his cap was the skill shown in negotiating his way through conflicting State interests to secure a new storage and handling agreement with State bulk-handling authorities. He broke new ground by placing the board's relationship with the States on a more commercial footing.

He is seen as the architect of incentives that have improved ship loading and out-turn rates — culminating in a record shipping month in January.

Donald Sandow was obviously a man who spoke his mind. He surprised the industry by launching the New Year with a stiff warning to the United States and the European Economic Community that a lean, hungry Wheat Board was not prepared to remain with its back to the wall while they corrupted markets. No argument from the industry on this score.

And under his management, the board has performed particularly well in selling the crop early in a difficult marketing climate, and getting a good price for it.

There are endless versions of "the real reason" for Donald Sandow's departure floating around — he had raised the board's ire as a result of unusually frank press interviews; he had never really been part of the board's marketing putsch; he was the scapegoat for alleged huge currency losses the board had suffered through its international marketeering; he had clashed with Sir Leslie Price and board members on the question of freeing up the export wheat market; he had differed with board personnel over their dogmatic approach to administration of finances.

The good oil from the trading arm of the industry is that a detailed Sandow report to the board on a sensitive sub-

ject had been "ripped to shreds".

Rumours aside, something of note caused Donald Sandow to hastily depart the AWB heap, and chairman-elect Mr Clinton Condon is one of the few prepared to discuss the matter, if only to disclaim all reasons put forward to explain the resignation.

Mr Condon has heard all the rumours. No, Mr Sandow's resignation had nothing to do with press interviews, and it did not stem from board treatment of one of his reports.

The chairman-elect seeks to quell industry concern that Mr Sandow's sudden departure is an indication of difficulties in AWB operations. He also challenges the belief in sections of the industry that the board had suffered significant currency losses through its hedging activities. "The only way we could make a profit or lose through hedging would be to speculate with currency or commodities, and we do not do that," he said.

"This question of losses or gains, of profits and losses through hedging of commodities, when it is done properly, is not a question at all. It only arises where you take a speculative position, that is, where you buy or sell the commodity or the currency with a view that it is either going to go up or down, with a view of making a profit. That is not possible in our guidelines to our marketing people. All you can say is that if you had sold a month earlier or a month later, perhaps you could have made more money."

The question of freeing up the export wheat trading market is viewed as another area of possible conflict between Mr Sandow and the AWB.

Industry sources believe that Mr Sandow, even though he had publicly attacked Elders' push for involvement in the wheat export trading arena, had met strong opposition from outgoing chairman Sir Leslie Price in suggesting that the board should accept the challenge from Elders and other traders to break down its export trading monopoly, and to trade on its merits against the private sector.

Certainly, the board in recent years has adopted a far more relaxed attitude to export wheat sales through the trade, with significant quantities of wheat now being moved through traders' purchases and subsequent re-selling of Board stocks.

Mr Sandow's abrupt resignation comes at a time of reported negotiations between a representative body of the traders and the board for a further relaxation of FOB export-trading restrictions.

There was no need for further negotiation on the matter, Mr Condon said. The board was "very open to negotiation with the trade concerning any proposition they wish to put to us", he said.

The board acknowledged the role of traders in developing markets over and above board sales through counter-trade, credit package or other arrangements.

"If they can increase the sale of Australian wheat at a price that is acceptable to the AWB, we are quite happy to proceed," he said. There is no need to free up the FOB or any other area. If the traders have a worthwhile proposition to buy Australian wheat for resale somewhere else, to act on an agency basis or whatever, we are quite happy to assist."

The chairman-elect, however, shares Mr Sandow's distaste for Mr Elliot's more extreme views on the dismantling of the AWB monopoly.

"People like John Elliot or anyone else who talk about throwing the Australian Wheat Board out and getting the American-type free market system don't really understand the situation," he said.

"The vast majority of Australian farmers know that they are far better off with the system that we have, and are prepared to work to make it work better than just throw it out for something that most of them now realise just doesn't work. It doesn't work because a large percentage of the harvest is carried out over a short time. Farmers have a large percentage of fixed costs to pay at that time. A big percentage of the crop has to be sold, and the backside drops out of the market."

Meanwhile, the chairman-elect is addressing himself to the board's communications with growers and the industry as a matter of priority.

There remains the question of Mr Sandow's replacement. His role is being filled on an acting basis by assistant general manager finance, Mr Ron Paice. Other internal contenders would be the board's assistant general managers of marketing and treasury, Mr Bob McCarthy and Mr David Hume.

/13104
CSO: 4200/846

VOPB REPORTS ON BATTLES IN SHAN STATE

BK291106 (Clandestine) Voice of the People of Burma in Burmese 1230 GMT 28 Mar 86

[Text] Combat news: On 2 February 1986, a People's Army unit and the mercenary 17th Light Infantry Regiment clashed near (Nani) village, located northeast of Keng Tung, killing five enemy soldiers and wounding seven others. During the clash, 1 G-2 rifle, 130 rounds of G-2 ammunition, 4 hand grenades, 4 2-inch mortar shells, and other military equipment were captured, according to incomplete reports.

On 15 February, a People's Army unit clashed with the military government mercenary troops in (Mong Pwe) region, located east of Mong Yang, killing three enemy soldiers and wounding four others. According to incomplete news, 1 G-4 rifle, 140 rounds of assorted ammunition, 6 magazines, 2 mortar shells, 1 hand grenade and other military equipment were seized during the clash.

On 22 February, a People's Army unit came across and clashed with the military government's mercenary 33d Infantry Regiment at (Nawnghwa) near Nawnghpa camp, located north of Tang Yan and west of Salween River. The People's Army attacked and captured the camp site of the mercenaries. During this clash two mercenaries and two defense volunteers of the military government were killed and four carbines, one magazine, and some military equipment were seized from the enemy.

Combat news from the Shan State Army [SSA]: On 11 December a unit from the SSA conducted a surprise attack on an enemy camp near Kunhai in the central Shan State, causing the enemy troops to flee in disaray. One M-79 mortar with folding stock, one G-3 rifle, and one G-4 rifle were captured from the enemy during the attack.

/7051
CSO: 4211/40

BRIEFS

KAREN 'STRONGHOLD' ATTACKED-- Mae Sot. Tak--Fierce fighting broke out yesterday afternoon when Burmese forces attacked the Karen rebel stronghold at Karuedey, police said. Supported by artillery and mortar fire, four battalions from the Burmese 44th Division launched the attack on the camp, about 10 kilometres from Tha Song Yang District, at about 1.30 p.m. Fighting continued until late in the evening, but no details were available about casualties. The sources said that about 1,500 Karen civilians fled to Ban Mae Song and Ban Huai Manok, The Song Yang District, on Saturday afternoon as Burmese troops closed in on the rebel camp. Border Patrol Police along the border in Tha Song Yang District have been beefed up and security forces have been placed on alert. [Text] [Bangkok BANGKOK POST in English 31 Mar 86 p 3 BK] /7051

CSO: 4200/842

[redacted]

[redacted]

[redacted]

[illegible] of "[illegible]" [illegible]

[illegible] Wednesday, [illegible] [illegible] in Hangzhou [illegible]

[illegible]

[illegible] — [illegible], [illegible] [illegible] [illegible]

[illegible]

[illegible]

[illegible]

[redacted]

[redacted]

[redacted]

During Pelita IV, according to the minister, his ministry had targeted around 770,000 transmigrants. For the first, second and third year of the Pelita IV, some 125,000, 135,000 and 150,000 transmigrants have been moved respectively.

The newly-appointed officials are 23 for the provincial level with Jakarta governor as chairman, and 26 officials for the municipal level with the mayor as chairman.

/TEXT/
CSO: 4200/0.06

COMMENTARY PRAISES NONEXTENSION OF THAI GENERAL

BK260556 Vientiane Domestic Service in Lao 0500 GMT 25 Mar 86

[News commentary: "The Prime Minister General Prem Tinsulanon Has Refused to Extend General Athit Kamlang-ek's Tenure Again"]

[Text] According to reports from Bangkok, under mounting pressure from politicians, university professors and students, and the general public in Thailand who have opposed any move by the Thai Government to extend the tenure of the current Thai military supreme commander and army commander in chief, General Athit Kamlang-ek, in these important positions, on 24 March, Prime Minister Prem Tinsulanon, acting in his capacity as defense minister, was compelled to officially announce his refusal to extend the tenure of Gen Athit Kamlang-ek in these positions. As a result, on 1 September 1986 Gen Athit Kamlang-ek will no longer be military supreme commander and army commander in chief. This is the most painful defeat suffered by Gen Athit Kamlang-ek in his quest to retain the positions of military supreme commander and army commander in chief for another year. This development is also an important victory for the Thai people in general, because they do not want Gen Athit Kamlang-ek to remain powerful in the Thai Armed Forces any longer.

The Thai public in general and all justice-loving classes of people in Thai society in particular are fully aware that Gen Athit Kamlang-ek has caused confusion in Thai political circles and internal rifts within Thai society. In addition, under his leadership military spending consumed a disproportionate amount of the national budget and led to the downfall of the Thai economy and the devaluation of the currency. As a consequence, Thai workers have suffered hardships caused by this development. More serious still, he has also caused the situation along the Thai-Lao and Thai-Cambodian borders to remain tense at all times. That is why the Thai people have unanimously agreed that Gen Athit Kamlang-ek should not further retain power in the Thai Armed Forces. The announcement by the Thai Administration to refuse the extension of Gen Athit Kamlang-ek's tenure is a brave decision and conforms to the desires of the general public in Thailand.

/12232
CSO: 4200/836

BRIEFS

CONSTRUCTION ON ROUTE NO 10--Vientiane, 12 March (OANA-KPL)--The construction work of Route No 10 linking Saithani and Thoulakhom Districts, northeast of Vientiane, is in full swing by the Bridge-Road Construction Company of the Vientiane Province. The company informed that the construction of Route No 10 project received a loan from the Asian Development Bank. The 47-km long Route 10 linking the two districts is to be 8 meters wide and standardized and asphalted. Four principal bridges with a total length of 120 meters, and (?106.83)-metres of secondary bridges are to be constructed on this route. The source disclosed that 39 percent of the project is now already complete, and the rest is expected to be fulfilled in 1987. [Text] [Vientiane KPL in English 0912 GMT 12 Mar 86 BK] /12232

SOUPHANOUVONG RECEIVES POLISH ENVOY--Vientiane, 19 March (KPL)--Souphanouvong, president of the Lao PDR and of the People's Supreme Assembly, received here yesterday Jozef Puta, the ambassador of the Polish People's Republic, who is about to end his diplomatic mission in Laos. During the warm and cordial meeting, Souphanouvong highly appreciated the Polish ambassador's contribution to the further strengthening of fraternal friendship relations, militant solidarity and cooperation between Laos and Poland on the basis of Marxism-Leninism and for the cause of peace and socialism. President Souphanouvong wished the Polish ambassador success in his new mission. Ambassador Jozef Puta has been accredited to the LPDR since 21 January 1983. [Text] [Vientiane KPL in English 0902 GMT 19 Mar 86 BK] /12232

NGUYEN HUU THO VISITS LUANG PRABANG--Vientiane, 20 March (OANA-KPL)--Nguyen Huu Tho, chairman of the National Assembly and vice-chairman of the State Council of the Socialist Republic of Vietnam, and his delegation, on 18 March, toured the Lao Luang Prabang Province as the guests of honour of the province party, administrative committees, and people's council. During its stay there, the delegation was welcomed by Vongphet Saikeuyachongtua, member of the LPRP CC, secretary of the party committee, and other senior officials of the province. The delegation also visited some historical sites and production bases in the province and returned to Vientiane on the next day. [Text] [Vientiane KPL in English 0857 GMT 20 Mar 86 BK] /12232

SISOMPHON LOVANSAI ATTENDS CEREMONY--Vientiane, 20 March (OANA-KPL)--The Editorial Board of the ALOUN MAI, ideological magazine of the party CC, organized here yesterday a meeting in commemoration of its first anniversary (22 March).

Among those present at the meeting were Sisomphon Lovansai, Political Bureau member of the party CC, who is responsible for ideological work. In his speech S. Lovansai pointed out the role of the magazine in educating the mass in the field of Marxism-Leninism, and party and state policies. [Text] [Vientiane KPL in English 1001 GMT 21 Mar 86 BK] /12232

MPR YOUTH DELEGATION--Vientiane, 23 March (KPL)--A delegation of the Revolutionary Youth League of Mongolia led by its First Secretary Naram Meren, which had arrived here on 18 March as the guest of the Lao People's Revolutionary Youth Union, left here yesterday. During its stay here, the delegation met with Saman Vignaket, secretary of the party CC, head of the Organization Board of the party CC. The delegation also signed the 1986-90 cooperation plan with LPRYU. [Text] [Vientiane KPL in English 0907 GMT 23 Mar 86] /12232

CSO: 4200/836

MAHATHIR ON PROPOSED SECRETS ACT AMENDMENTS

BK311315 Kuala Lumpur BERNAMA in English 1235 GMT 31 Mar 86

[Text] Kuala Lumpur, March 31 (BERNAMA)--Malaysian Prime Minister Dr Mahathir Mohamed has given the government's assurance to review closely the definition of "official secrets" to clear up any confusion in the enforcement of the Official Secrets Act 1972.

According to the Organisation of Newspaper Editors (ONE) and the National Press Club (NPC) today, the prime minister had also promised to study the memoranda submitted by the two organisations.

ONE and NPC met Dr Mahathir at his office here today to submit their respective memoranda.

In their respective memoranda, ONE and the NPC urged the government to review the proposal to amend the Official Secrets Act 1972 and to give a more precise definition of the meaning of "official secrets."

According to a joint statement by ONE and the NPC, Dr Mahathir had given an assurance that the act would be implemented cautiously and fairly so that only those who were really involved were brought to court.

He explained that the act and the proposed amendments were not directed solely at the journalists.

The prime minister said the amendments were proposed because the government was concerned with the acts of staffers leaking secrets, especially those on the economy to the business circles.

He pointed out how conditions and extracts of government tenders could be easily obtained by interested parties in business circles.

The leaking of government secrets was rampant because the existing penalty was not a deterrent to those in the business circles who had the money to pay for the secrets as well as fines for those found guilty by the courts, he said.

/7051
CSO: 4200-840

PETRONAS TO MAINTAIN OIL PRODUCTION, PRICE LEVELS

BK270219 Kuala Lumpur BERNAMA in English 0156 GMT 27 Mar 86

[Text] Kuala Lumpur, March 27 (BERNAMA)--Petronas, the Malaysian national oil corporation, will continue to produce 510,000 barrels of oil a day as decided by the government until directed otherwise, it was reported here Thursday.

The financial daily BUSINESS TIMES quoted Petronas Chairman Raja Mohar Raja Badiozaman as saying that the oil price will also be maintained at the current levels--17.10 U.S. dollars per barrel for tapis crude, 16.80 dollars for Labuan, 16.45 dollars for Mari Light and 15.75 dollars for Bintulu.

There are no plans to reduce prices further now, he added. The last reduction of 6,80 dollars a barrel was made on March 1 this year, following a four-dollar cut on Feb. 1.

Raja Motar said that Rastam Hadi, the senior Petronas vice-president, briefed him Wednesday on the latest developments and the outcome of the nine-day meeting of the Organisation of Petroleum Exporting Countries (OPEC).

Rastam attended the inconclusive OPEC meeting in Geneva from March 17 as an observer. Malaysia has attended OPEC meetings as an observer since January 1985.

The 13 OPEC ministers had urged non-OPEC producers to reduce their output to help shore up prices which have plummeted to about 12 dollars a barrel currently against 30 dollars a barrel just four months ago.

Last year Malaysia had, in support of the OPEC cause, reduced its production by some 40,000 barrels a day. This had meant foregoing some 900 million ringgit (about 360 million U.S. dollars) in revenue last year.

The five non-OPEC members which attended the meeting as observers--Egypt, Mexico, Oman, Malaysia and Angola--produce some 4.6 million barrels per day (BPD) against OPEC's current production estimated at 17 million BPD.

The five non-OPEC members were asked to cut their production by up to 20 per cent to allow OPEC a wider market share. But there are other non-members

which are major producers such as the North Sea oil producers, Britain and Norway, which did not attend the meeting and which have refused to cooperate in production cuts.

Meanwhile, Dr. James Ongkili, minister in the Prime Minister's Department and the Cabinet repsonsible for Petronas, said Malaysia cannot reduce its oil production as requested by OPEC.

"OPEC wants us to reduce our current output by about 102,000 BPD. We can't afford to do this, or we will have to reconsider further trimming our development programmes," he told reporters Wednesday.

"We would very much like to support OPEC but Malaysia has its own national priorities. Furthermore, the current production level is already budgeted for this year."

Asked whether Malaysia would increase oil output to offset the price decline, he said such a course of action will not make sense. "Why should we churn out our oil when the price is so low?" he asked.

Since Japan is a major consumer of Malaysian oil, the recent appreciation of the yen against the dollar will further reduce the value of each barrel of Malaysian oil sold to Japan in terms of the dollar, he added.

The loss in revenue to Malaysia as a result of the cut in oil prices recently is as much as one billion dollars a year. This will no doubt affect the government's development plans as the bulk of federal government revenue is derived from oil in the form of corporate income taxes, royalties and export duties.

/6662
CSO: 4200/836

OIL PRODUCTION INCREASE NEEDED FOR REVENUE

BK291320 Kuala Lumpur BERNAMA in English 1051 GMT 29 Mar 86

[Text] Kuala Lumpur, March 29 (DANA-BERNAMA)--The national oil corporation or Perbadanan Petroleum Nasional (Petronas) will not cut down oil production despite the recent drop in the price of oil, its adviser, Hussein Onn, said Saturday.

He said that since the prices of other commodities had declined tremendously, Petronas would need to increase production to help the government earn revenue.

However, in stepping up production, Petronas "will not overdo it," Hussein said.

Asked whether Petronas should venture into other fields, Hussein said no decision had been made regarding the matter.

However, he said, the public had the right to voice their views if Petronas planned to venture into other areas.

"What is important is that the people of this country are given the freedom to express their views," he said.

/7051
CSO: 4200/840

OFFICIAL DISCUSSES ACQUIRING FIRST SUBMARINE BY 1990

BK291039 Kuala Lumpur BERNAMA in English 1004 GMT 29 Mar 86

[Excerpts] Kuala Lumpur, March 29 [OANA-BERNAMA]--Malaysia plans to acquire its first submarine under the Sixth Malaysia Plan (1991-1995) or Seventh Malaysia Plan (1996-2000), Deputy Defence Minister Abang Abu Bakar Mustapha said Saturday.

He said the submarine would be used to train navy personnel in submarine operations as part of the effort to further strengthen the structure of the Royal Malaysian navy (RMN).

The government was studying the possibility of purchasing a secondhand submarine to be used as a training vessel, he said.

Abang Abu Bakar was speaking to reporters after witnessing the arrival in Port Kelang, about 40 km from here, of four RMN minesweepers which will form the 26th minesweeper squadron.

Abang Abu Bakar said several RMN Officers had been sent for submarine technical training in New Zealand, Sweden and West Germany.

The officiers formed part of a group that would undergo a continuous training programme spanning 10 years to enable the RMN to have a complete submarine crew by 1999.

He said the feasibility study for the purchase of a submarine was began late last year by RMN and Defence Ministry officials.

He said defence officials from two countries had so far met Malaysian officials with offers for training facilities and submarine models under a comprehensive package deal.

The French had offered their Daphne submarine early last year while the United States offered the Oberon, which is regarded as among the world's most modern submarines.

Abang Abu Bakar said a West German team would arrive soon to talk to Malaysian officials on the type of submarine they would offer.

7051
CSO: 4200/840

BRIEFS

CONCERN OVER U.S.-LIBYA CONFLICT--Malaysia today urged all parties involved in the U.S.-Libya conflict to refrain from any further active provocations and to solve whatever problems in a peaceful manner. This should be carried out in accordance with the provisions of the UN Charter. In a statement, the deputy minister of foreign affairs, Datuk Kadir Sheikh Fadzir, said the government viewed with deep concern the damage inflicted on Libyan naval craft and installations. He pointed out that the incident occurred as a result of prolonged U.S. maneuvers in the area. Unless such activities are ceased, they will lead to further escalation in the conflict and heighten tension in the region that is already volatile, causing serious threats to international peace and security. [Text] [Kuala Lumpur International Service in English 0800 GMT 27 Mar 86 BK] /6662

CSO: 4200/836

[redacted]

[redacted] DETAILS OF THE [redacted] PLAN

[redacted] Senior Aspiring Delegation to Implement In Rec [redacted] y [redacted]

[redacted] Economic Planning Minister Delfino L. Ducusal said that a new two [redacted] for economic recovery program will soon be [redacted] which will deliver on the country's blueprint for growth, development and expansion during the next five years.

Ducusal, who is also director general of the National Economic and Development Authority [redacted], said the new plan will address the [redacted] of President Aquino, particularly in agriculture, foreign investment and more equitable distribution of income and opportunities.

"Definitely, the new plan will help to make the economic situation of the poor regular," Ducusal said, referring to the national economic outlook in the remainder.

Part1 plans will include development goals and objectives, strategy and policy [redacted], and measurable targets expected of broader development objectives.

These plans will also become a descriptive list of ongoing and new programs and projects to implement economic objectives of the new government, sources of funds and [redacted] of implementation.

Earlier, Ducusal proved hope on the recommendations of 20 professors of the University of the Philippines [redacted] on [redacted] in the national economic recovery program.

Mrs Ducusal has said that the alternative strategies and recommendations of the 20 professors might be used by the new government in the formulation of new development plans.

Over the weekend, however, President Aquino directed the NEDA to formulate a revised and realistic recovery program in cooperation with the different ministries, offices and instrumentalities of the government, including government-owned and controlled corporations and regional development bodies.

Secretary Ducusal pointed out that as originated by President Aquino, all concerns of the country will be considered in the future recovery.

[redacted]
[redacted]

[illegible]

[illegible] TO [illegible] [illegible]

[illegible] [illegible] [illegible] to [illegible] [illegible] [illegible]

[illegible] The [illegible] of [illegible] [illegible] to [illegible] the [illegible] of [illegible] [illegible] [illegible] to the Philippines in view of the [illegible] [illegible] left behind by the government of [illegible] President [illegible] [illegible]. [illegible] of the [illegible] [illegible] government also [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] to the [illegible] government's decision to [illegible] the [illegible] [illegible] [illegible] [illegible].

[illegible] [illegible], senior official at the [illegible] [illegible] [illegible] [illegible] [illegible] to [illegible], told the [illegible] [illegible] in an exclusive interview, [illegible] [illegible] willing to [illegible] the requirement for a [illegible] [illegible] [illegible] [illegible] [illegible] because of the government's precarious financial [illegible].

[illegible] to the [illegible] [illegible] of projects sought to be financed by [illegible] [illegible] [illegible], he said, they could be financed to the extent of [illegible] [illegible] without the [illegible] [illegible] contingent funding. The contingent funding, according to [illegible], [illegible] [illegible] to the second or third year of the projects when government finances improve.

The [illegible] officials also believed that [illegible] would support the [illegible] of the [illegible] government to reorganize the [illegible] of rescheduling of official debts under the Paris Club.

[illegible] was one of the first European countries to [illegible] support behind [illegible] after the presidential elections and subsequently recognized her government when she assumed power.

[illegible]
[illegible] [illegible]

[redacted]

[redacted]

[redacted]

Consumer Price Index for All Urban Households in the Philippines
(1985 = 100)

Period	All Items	Food, Beverages and Tobacco	Clothing	Housing and Repairs	Fuel, Light and Water	Transpo	Miscellaneous
1980	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Apr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jun	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jul	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1981	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Apr	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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Aug	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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1982							
Jan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: National Census and Statistics Office (NCSO)

CENTRAL BANK TO PROCEED WITH DEBT RESCHEDULING

HK210229 Manila BUSINESS DAY in English 19 Mar 86 p 3

[Article by Conrado R. Banal III]

[Text] While other government sectors are abuzz with talks that the country should exercise "selective repudiation" of its foreign loans, the Central Bank [CB] is going ahead with the rescheduling of about $300 million in public sector foreign debts.

These loans represent about 10 percent of the public sector's total $3.2-billion foreign debt. Some $2.9 billion of these public debts were rescheduled last January.

A ranking CB official said yesterday the CB is "not inclined to delay" the rescheduling of the remaining public sector foreign loans, hinting that the campaign of the National Economic and Development Authority (NEDA) for the partial repudiation of the country's foreign debts is not gaining ground.

Manila-based foreign bankers also said work on the rescheduling of the private sector's foreign loans is progressing normally. Foreign banks and private borrowers have to work out the loan rescheduling on their own.

Economic Planning Minister Solita Monsod, who is also director general of the NEDA, last Thursday told BUSINESS DAY that the Aquino government could adopt a scheme of selective loan repudiation. Under this scheme, loans which were used to financed overpriced equipment, for instance, could be repudiated, she said. Monsod argued that this could be done to lighten the foreign debt burden on the economy.

However, Monsod's proposal—which she said was contained in a paper presented to President Aquino—is not winning many adherents in banking circles. "It does not strike anybody as the right thing to do at this point," a banker commented.

Others believe that the Aquino government has better chances of obtaining better terms when it renegotiates the country's loans with foreign banks when the current agreement expires by end-1986. The present agreement calls for the rescheduling of loans maturing until yearend as well as the $925-million "new money" and the $3-billion trade credit lines extended by foreign banks under the rescue package for the Philippines.

As soon as the country obtains another standby line with the International Monetary Fund (IMF) to replace the existing one which expires in June this year, a new agreement with foreign banks will be pursued. The CB is planning to ask for the rescheduling of loans maturing between 1987 and 1990 and the retention of the $3-billion credit lines, which will expire this December. New loans from foreign banks will also be needed.

Manila-based foreign banker said foreign banks, for instance, may be prepared to discuss "some new formulas" in the next agreement, but they will not agree to "talk about debt repudiation or a Peru-style cap on interest payment."

Peru, another debt-ridden country, told its creditors that it would pay interest on foreign loans only up to 10 percent of its foreign exchange earnings. Bankers said Peru's bold move has failed to attract followers among countries with similar debt repayment problems.

In its negotiations with the country's foreign creditors, the Marcos government has put priority on keeping within the international financial stream.

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CENTRAL BANK LOANS DECLINE 11 PERCENT

HK270727 Quezon City BUSINESS DAY in English 26 Mar 86 p 2

["Economic Indicator" column: "CB Lendings Decline 11 Percent in '85"]

[Text] Loans granted by the Central Bank [CB] to the government and banking institutions totaled P112,274.6 million last year, down from P126,146.2 million in 1984, CB data showed. Total loans still declined 11 percent even as lendings to the government increased by more than P5 billion during the year.

Loan availments of the government, which accounted for 31.80 percent of total loans granted, rose 18.85 percent from P30,043.2 million to P35,706.3 million. Of this, P10,501 million was extended to the national govenrment as budgetary loans, more than double the P5,000 million secured for budgetary purposes in 1984. Loans earmarked for non-budgetary purposes, on the other hand, amounted to P20,494.6 million, down 17.47 percent from P24,832.2 million. Aside from loans extended to the national government, the CB also granted loans to local and semi-government entities amounting to P4,710.7 million last year, up from only P211 million in 1984.

In contrast, loans granted by the CB to the banking sector which accounted for 68.07 percent of the total, contracted 19.78 percent from P95,270.6 million to P76,427.2 million. Among the different banking institutions, only specialized government banks (consisting of the Development Bank of the Philippine Amanah Bank) registered an increase of 16.7 percent in loan availments. Other banking institutions recorded the following declines: thrift banks, 97 percent; rural banks, 49.70 percent; and commercial banks, 32.07 percent. Likewise, loans to nonbanks with quasibanking functions fell 83.04 percent last year.

Loans Granted by the Central Bank
1985 and 1984
(in million pesos)

	1985	1984
Total	112,274.6	126,146.2
Government	35,706.3	30,043.2
National Government-budgetary	10,501.0	5,000
National Government-others	20,494.6	24,832.2
Local and Semi-government entities	4,710.7	211.0
Banks	76,427.2	95,270.6
Specialized government banks	36,189.1	31,009.4
Thrift banks	147.2	4,898.7
Rural banks	664.0	1,320.2
Commercial banks	39,426.9	58,042.3
Non-bank with quasi-banking functions	141.1	832.4

Source: Central Bank

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PHILIPPINE CENTRAL BANK GOVERNOR ON LOANS, POLICIES

HK260934 Quezon City BUSINESS DAY in English 25 Mar 86 p 2

[Article by Conrado R. Banal III]

[Text] The Central Bank [CB] will lend more to the private sector instead of the government and will get more funding aid instead of loans from abroad.

These are among the changes CB Governor Jose B. Fernandez Jr. wants made in the new government's monetary and financial policies, and which he believes will lead to economic growth this year.

Fernandez, who is the only economic manager in the Aquino government carried over from the previous administration, said the government is now planning for economic growth after more than two years of economic downturn. "The country is enjoying an enormous amount of goodwill both here and abroad, from zero goodwill in January 1984, and when I say 'zero,' I mean absolutely nothing," he said.

He was apparently emphasizing his view that politics may have given rise to certain economic problems, and that the new government's "goodwill" can be the key to solving these.

The Marcos regime has promised to encourage private sector initiative to rebuild the country's battered economy, but many found out that political favors remained the shortest--and surest--way to business successes.

Fernandez believes that the new government's priority in its economic policies should be to create a "level playing field" for all participants in the economy. "There should be no special deals between the government and business," he said.

With this basic rule laid down, the CB's grant of more loans to the private sector and less to the government can encourage more investments.

Fernandez noted that the CB rediscounting windows, through which business obtain loans, hardly moved last year. CB data showed that such CB lendings remained stagnant at $12 billion throughout 1985. The latest figures, on the other hand, revealed an increase of about P400 million in CB rediscounting loans during last week of February.

Fernandez said that as a CB policy, government lendings from the CB will not crowd out the private sector, particularly those engaged in exportation. He

added that the CB intends to provide working capital to agricultural ventures to complement the World Bank-supported P3-billion agricultural loan fund (ALF), a financing program for farm investments.

CB lendings to either the government or business nevertheless mean funds will be released, which theoretically can push up prices of goods and rekindle inflation. Fernandez said he is "not worried about inflation because of the absence of other factors creating an environment of speculation."

He noted that the situation in the past two years was different: Foreign lenders refused to extend loans to the country, speculations led to hoarding of dollars and foreign exchange, and the government's credibility was down. He added that, in contrast, the country now has "usable reserves, speculation is at a minimum, and inflation continues to slow down.

Getting more funds from abroad, in the form of "grants," is apparently Fernandez's solution to the problem of dollar speculation. The ideal level of the country's international reserves to him is when the CB has "enough to deal with the speculators."

The CB basically wants three types of foreign loans: A standby credit line with the International Monetary Fund (IMF), official loans from foreign governments and multilateral financial institutions such as the World Bank and Asian Development Bank (ADB), and trade credits from foreign banks.

That the government will certainly violate its commitments under the economic program with the IMF is "not discouraging" Fernandez. He said the country can still draw the $200 million remaining in the standby line with the IMF, which is premised on the government's compliance with the program.

Fernandez and Finance Minister Jaime V. Ongpin are scheduled to hold talks with the IMF, the World Bank and foreign banks starting April 9. Fernandez said he intends to tell the IMF that the violations of the program commitments have minimal effects on the real economy.

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AUDIT BODY SAYS RICE STOCKS WORTH $600 MILLION MISSING

HK251127 Manila BUSINESS DAY in English 24 Mar 86 p 12

[Text] A good portion of rice imported at $600 million and corn at $70,000 by the National Food Authority [NFA] was reported missing, a Commission on Audit [COA] team told BUSINESS DAY.

The rice and corn stocks were imported by NFA last year from the United States, Taiwan, Indonesia and Thailand.

The NFA amassed a $6-billion foreign debt in its importation of rice, corn, wheat and soybeans over the years.

BUSINESS DAY earlier quoted Agriculture and Food Minister Ramon Mitra as saying that the NFA had to account for P1.2 billion in procurement funds.

According to Mitra, the missing funds were allegedly "used for buying grains but the grains can't be located." He said the missing funds could have accumulated over the years and used by the former First Lady Imelda Marcos for her "lavish trips" abroad. (see BUSINESS DAY, March 18, 1986).

However, the COA is verifying reports that the missing rice and corn stocks were distributed to voters--mainly in Metro Manila--to win votes for the Marcos-Tolentino tandem during the last snap elections. The missing rice stocks were part of the country's reserves.

During the election campaign, Marcos and his KBL leaders spent huge sums of government funds. Many top NFA officials were seen actively campaigning for the KBL.

However, former NFA administrator Jesus Tanchanco had assured Mitra and President Aquino that diversion of funds or grains were not possible under NFA's stringent fund management system.

The COA is also investigating the disappearance of 1.5 million empty rice sacks stored in NFA warehouses in the Manila customs area. At a selling price of P5 per sack, the missing empty sacks would cost P7.5 million if sold to second hand dealers.

Sources at COA said they are also verifying reports that top NFA officials own buildings and business enterprises in New York.

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FREEZE ON CROP LOANS MAY CUT GRAIN OUTPUT

HK271019 Quezon City ANY PAHAYAGANG MALAYA in English 21 Mar 86 p 7

[Text] Over 8,000 hectares of riceland with an estimated potential yield of P100 million worth of palay are adversely affected by the government's freeze on crop loans.

Officials of the Cooperative Rural Banks Association [Bankoop] of the Philippines assailed the decision of the Ministry of Agriculture and Food suspending the release of P25 million earmarked for farmers in the intensified rice production program (IRPP).

The P25 million covers more than 8,000 hectares based on the program's loan ceiling of P3,000 per hectare, at an average yield of 80 cavans per hectare, the target area can produce almost 700,000 cavans of palay valued at P116.55 million, at the support price of P3.50 per kilo.

Bankoop President Leonilo Chavez said that IRPP funds intended for the cooperative rural banks have remained frozen although Agriculture Minister Ramo Mitra Jr. has already ordered the release of such production loans through the National Food Authority [NFA] and its Quedan Guarantee Fund Board.

Mitra announced in his Palawan bailiwick last Sunday that IRPP loans were temporarily frozen following the failure of NFA Officials to account for P1.2 billion grains procurement funds which he claimed were used to finance the foreign trips of former First Lady Imelda Marcos.

The minister ordered the release of IRPP loans through the NFA and Quedan Board on the same day that MALAYA reported on the missing P1.2 billion on March 18.

Bankoop executive assistant Benjamin Cruz explained that former president Ferdinand Marcos approved the allocation of another P25 million this cropping to Bankoop financed farmers. He said that 5,180 farmers covering 7,953 hectares benefited from IRPP loans that amounted to P23.4 million last year, the loans were coursed through 11 cooperatives.

Bankoop records show that as of March 6, loan repayments were as high as 77 to 97 percent.

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TOURISM RECEIPTS SHOW 38 PERCENT RISE IN 1985

HK270730 Manila MANILA BULLETIN in English 26 Mar 86 p 13

[Article by Rene M. Alviar]

[Text] The country's tourism industry, heading for a debacle last year due to the continuing decline in visitor arrivals, took a strong stand when it generated tourist receipts amounting to $507 million in 1985, posting a 38.43 percent increase over the $366.25 million recorded in 1984.

Date released by the Central Bank showed that the monthly tourist receipts in 1985 reflected consistent positive growth except for the months of November and December.

This means that the 773,074 foreign tourist who visited the country last year spent more dollars than the 816,712 who arrived in 1984.

Statistics released by the Ministry of Tourism (MOT) showed that tourist arrivals last year reflected a 5.34 percent decline compared to that of 1984. The drop was more pronounced among tourists coming from member countries of the Association of Southeast Asian Nations (ASEAN).

Visitors coming from Canada and United States maintained a slight increase in their arrivals into the Philippines.

While the Central Bank did not explain the contrasting trends between tourist receipts and arrivals last year, observers believed that tourists have tended to spent more in entertainment, foods and drinks in 1985, which were said to be made outside their respective hotels.

The highest tourist receipt obtained last year was recorded in January with $71.26 million, followed by the $56 million in August. The highest figure in 1984 was recorded in December when tourist receipts reached $62.55 million.

While the rate of tourist expenses in 1985 has tended to bypass the rate of tourist arrivals, the hotel industry suffered a slowdown in their income from hotel rooms.

The average occupancy level of all category hotels in Metro Manila from January to December, 1985 reached 51.81 percent, registering a decline of 3.51 percent from the previous year's occupancy level of 55.32 percent.

The quarterly occupancy review showed that there was a decline in all hotelie categories for the month of February when the occupancy rate posted a marginal increase of 1.05 percent.

Five-star hotels in Ghana Hotelie had only a 53.88 percent occupancy rate in their total offering 1,899 guest rooms. Although this category experienced a decrease of 4.77 percent in occupancy rate, it managed to post the highest occupancy level among the hotel categories.

The four-star hotels managed to pick up 61.97 percent of their combined capacity of 920 rooms, recording a decline of 3.32 percentage points from the occupancy level of 65.13 percent in 1996. It was noted that the room capacity of this category increased by 41.87 percent due to reclassification of one hotel from a four-star to five-star category.

The average occupancy rate of three-star hotels was 51.82 percent, a slight decrease of 1.09 percent from the previous year's occupancy rate of 52.9 percent. The two-star hotels had an occupancy rate of 41.41 percent, a considerable drop of 13.9 percent from the previous year's rate.

One-star hotels, which constitute an average room capacity of 413 or 4.44 percent of the total room available among this category, managed to post only 1.2 percent (as published) room occupancy, declining by 1.1 percent against last year's level.

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TOURISM MINISTER NOTES DROP IN CRIME RATE

HK270015 Quezon City ABS-CBN-TV NEWS in English 19 Mar 86 p 2

[Article by Angel Calleo]

[Text] The crime rate in the Philippines for January and February this year is 50 percent lower than the figure for the same period last year.

This was revealed yesterday by Tourism Minister Jose Antonio Gonzales after he inducted the new set of officers of the Philippine Travel Agencies Association [PTAA] at the Manila Hotel.

In the face of this "encouraging development for the tourism industry," Gonzales asked the travel agents to "go out and knock on doors as quickly as you can" to stimulate the market.

He promised that the MOT [Ministry of Tourism] will give travel tax exemption "to those who are going out to sell the Philippines."

In the same forum, it was also announced that Philippine Airlines will also give a 75 percent agent discount to PTAA members who are going to promote the country abroad.

Prompted with a list of "immediate concerns" of the travel industry through PTAA President Ernesto Garcia Jr., Gonzales said he welcomes suggestions and recommendations but asked that these ideas "be channeled through associations."

He said the MOT is embarking on a fact-finding promotion activity because the country badly needs all the revenues the tourism industry can generate.

Gonzales told the travel agents that he cannot be sure before or return the travel tax until the government can find a revenue replacement.

A lot of Japanese tourists are planning to visit the Philippines after the Marcos regime was toppled down last month but many of them are still apprehensive about the peace and order situation of the country.

This was revealed to NAJATA yesterday by a Japanese travel editor who planned to do so (his name? "the real score.")

Masao Nakamura, executive editor of Travel Journal Inc., a Japanese publication, said he had visited quite a number of the cosmos's prime tourist spots and was impressed with what he saw.

"I have favorable comments to write about your country," he said.

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because other shareholders, some of them BI stalwarts, will be affected by the government move. In the attempt to go after one individual, others are caught in the squeeze play.

The only basis for the attempted sequestration is that the BI has been known to be a "liberal" newspaper. But even if it is not a "liberal" publication, the BI has not violated any law nor is it or heavily indebted to the government to merit sequestration.

A bad precedent is being set and it can become worse. When deposed President Marcos declared martial law in 1972, he closed down five major newspapers which were critical of his administration. Now, the present government wants to sequester one or more China major newspapers which were identified with the Marcos administration. It is beginning to be a vicious circle without end to sight. Every new President will just close or sequester any publication, TV station or any business enterprise which belongs to a political opponent.

If this becomes a practice or tradition in the Philippines, entrepreneurs will no longer be interested in investing in any business venture here because of political endangerment. While politicians and businessmen will not admit it, it is generally known that businessmen contribute to the campaign funds of political candidates. In presidential elections, some businessmen contribute to both or all candidates in order to insure goodwill no matter who wins. But there are certain businessmen who support only one candidate and their fortunes rise or fall depending on who wins the election.

It has been said that those interested in the sequestration of the BI are people who want to make money by using the modern printing and other facilities of the newspaper. They plan to use the facilities of the BI to improve their fortunes. Are they any different from some of the Marcos cronies they have been denouncing?

Those who argue that the government can sequester media organizations in the same manner that Mr. Marcos was able to close them in 1972 should always bear in mind that two wrongs do not make right. You cannot right a wrong by committing another wrong. Press freedom should be for everybody. It should not be kind to those who agree and cruel to those who disagree.

During the campaign, President Aquino repeatedly said that she would not be vindictive and that she would be magnanimous in victory in order to achieve national reconciliation. It now seems that some government officials are not aware or have completely forgotten the campaign promises of the President.

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MANILA BULLETIN EDITORIAL ON INSURGENCY PROBLEM

HK2310418 Manila MANILA BULLETIN in English 23 Mar 86 p 4

[Editorial: "Grassroots Support"]

[Text] The critical factor in the insurgency is the support of the masses. The side that gains that support will win.

The insurgent movements gained strength during the past administration because they received some support in the countryside. Victims of injustice, those who felt threatened, and people who strongly dissented from the way things were being run helped him strengthen the insurgency so that as the years passed, rebellion became a bigger headache for the government.

Under the present administration, the insurgency ought to become dormant. In the first place, the people in most parts of the country are euphoric over the turn of events last month. The population trusts President Aquino.

In the second place, the administration, including the military establishment, has adopted a conciliatory attitude toward the rebels. Moreover, the much complained-of military abuses have been stopped; the people, then, have learned to trust the soldiers.

Despite all this, rebel terrorism, especially in Mindanao, continues. It would be difficult to put a stop to rebel activity all of a sudden. What presumably is the hard core of the rebellion is ideological and its vision of what society ought to be cannot probably be changed. But it has to reckon with the masses, whose support is vital to its existence.

If, on account of the change in administration, the masses give all-out support to President Aquino and if the military maintains its present policy, the rebellion will no longer be a threat to the government.

People in the countryside know how to react to the kindness shown to them by the government.

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TAX AMNESTY PROPOSED FOR RETURNING OVERSEAS WEALTH

HK261003 Manila TIMES JOURNAL in English 25 Mar 86 pp 1, 6

[Article by Ely Lopez]

[Text] The Bureau of Internal Revenue [BIR] is recommending limited tax amnesty for those who would bring back their hidden wealth stashed abroad.

Newly-appointed commissioner Bienvenido Tan Jr., however, said that the proposed amnesty should not cover cronies of deposed President Marcos and those being investigated by the Commission on Good Government.

In an interview, Tan stressed that he is not in favor of extending the amnesty to all those who have been ignoring or mocking tax laws.

The BIR chief, who rose to prominence as public coordinator of the Agrava fact-finding board, also said that:

There will be no purging or mass dismissal of BIR personnel. He hinted that even those identified with the old regime would be retained if they were qualified: "any movement would be based on the service record of workers."

Tax laws would be applied fairly. "I don't care if you are pro-Cory or pro-Marcos. We will go after anyone who breaks our tax laws."

No unsigned complaint or denunciation would be entertained. "If the people could face tanks, they should be brave enough to sign their complaints against anyone at the BIR," he said.

Tan said the government will be at the losing end if a total amnesty is adopted.

He said right after martial law was declared, a fairly successful amnesty was enforced. The government collected P800 million, he explained, but gave up about P1.5 billion in the process.

The amnesty that came after that only yielded P30 million, he added.

Under existing rules, income earned abroad is taxed at concessionary rates of from one to three percent. The rate is one percent for income of 6,000 or less, two for income up to 12,000 and three for higher amounts.

"We are not after these small amounts. We want the huge income of those who have been engaged in dollar-salting, including log exporters," Tan said.

A group of officials at the BIR has suggested the adoption of absolute amnesty in the spirit of reconciliation. Such an arrangement would cover the criminal liabilities for tax evasion and the payment of sharply reduced amounts.

Another group, however, wants a softer version covering only the waiver of surcharges or penalties on assessments.

Tan said he will meet next Monday the BIR's 17 regional directors to discuss the amnesty proposal and other key issues.

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PHILIPPINES APPOINTS SWISS FIRM TO OVERSEE IMPORT

HK260932 Quezon City BUSINESS DAY in English 25 Mar 86 p 2

[Text] The Aquino government has confirmed the appointment of Societe Generale de Surveillance S.A. (SGS) as the country's output surveyor to monitor Philippine-bound imports starting May 1.

Oskar J. Keneubuehler, executive vice-president of SGS, told newsmen yesterday the confirmation was given last March 12 by the Ministry of Finance.

SGS will monitor Philippine imports from Japan, South Korea, Hong Kong, Taiwan, Singapore, Indonesia, Thailand, Malaysia and Brunei.

Starting May 1, an importer, upon opening a letter of credit (L/C), will be required, through his bank, to submit a copy of the L/C, seller's proforma invoice and the import entry declaration to the SGS Manila liaison office, together with other pertinent documents.

The SGS liaison office will then register the L/C and issue an import advise note with an assigned number. One copy will be sent to the importer and another to the inspection office.

The inspection office of the SGS will then send an advise of inspection to the foreign exporter of the goods. The exporter will have to advise the SGS office when and where the inspection can be conducted.

Under the comprehensive import supervision scheme, the SGS will inspect the imports regarding quality, quantity and the price/home consumption value (HCV). It will also verify freight charges, the Tariff and Customs Code classification and the tariff rate.

It will then submit a report to the Philippine Government regarding commissions, discrepancies in price/HCV, the value and currencies used.

Following the inspection, to be undertaken at two points, at the warehouse and at the port of loading, the importer, through his bank, will be issued a clean report of findings (CRF).

The importer will then present to the Bureau of Customs the normal documents required for clearance together with the Customs copy of the CRF. The Customs Bureau will verify the documents and calculate the difference between the

deposit paid and duties as well as the compensating/advance sales tax due and issue the order of payment to the importer.

Kneubuehler said the Customs Bureau does not have to conduct another inspection at the unloading port but it may, from time to time, check on certain shipments to verify the findings of the SGS as to quality, quantity and price.

The SGS official declined to say how much the Swiss-based company will be paid but industry sources told BUSINESS DAY that it will get 0.8 percent of the value of every shipment inspected.

The contract with the Philippine Government covers a period of three years and is revocable any time any of the two parties decide, for whatever valid reason, that the contract should be rescinded.

Kneubuehler said SGS is undertaking inspection work for 21 governments in Africa, South America, Central America and Asia. In Asia, it is doing inspection work for Indonesia, and now the Philippines.

He said the operation of SGS in Indonesia has been so successful that even when the government cut tariff rates across the board by 50 percent following the hiring of SGS, revenue collection went up substantially.

Kneubuehler yesterday also debunked earlier reports that SGS was involved in any illicit activity in Nigeria and described the charges as "fantastic" and untrue. He said these fabrications were the work of their competitors out to ruin their good name.

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PAPER EXAMINES PHILIPPINE-JAPANESE RELATIONS

HK260203 Quezon City BUSINESS DAY in English 24 Mar 86 p 18

[Article by Abrino Aydinan]

[Text] Philippine-Japan relations have come a long way since the war and developed in a big way under the 20-year regime of deposed President Ferdinand Marcos, particularly since 1972 when he took on absolute power of decision-making. Tracing the roots of the dominating Japanese influence here now--a throwback to our "special relations" with another country at an earlier time--may yet lead to a less-than-honorable wartime relations of Marcos with the former enemy, but this would require painstaking research.

There is no doubt, however, that the Japanese presence was greatly enhanced under martial law. By decree, Marcos caused the adoption by the Philippines of the current Treaty of Amity, Commerce and Navigation with Japan whose text was no more than a rehash of a pre-martial law controversial document which the then Philippine Congress refused to ratify.

Ushered in with vital concessions from the Marcos regime, the Japanese penetrated practically every aspect of the Philippine economy and the impact reached deep into other areas of the national life. Marcos offered the Japanese exclusive zones in the country where they could set up industrial plants and enjoy the incentives for the export processing zones. The Japanese had the good sense to decline Marcos's offer, afraid no doubt that they would be required to deliver the official quid pro quo in aid and probably also some "unofficial" concessions that would not accrue to the F'lipinos' public benefit.

In the outward manifestations of the Marcos government's Japanese policy, one saw the assiduous courting of investments from that country, trade with it, even political relations in an effort, one was willing to believe, to diversify the Philippine's foreign alliances, dilute an unhealthy dependence on the United States and, thus, expand the ground for economic independence.

As Marcos's acts in office now come under scrutiny through incredible documents detailing his [word illegible] corruption, wheeling and dealing with foreign interests for private profits of the ruling clique, the inescapable conclusion that emerges is that Philippine-Japanese relations were nurtured at great expense to the Filipino public interest and hardly in pursuit of patriotic ideals.

If one overlooked the basic motivations of Marcos and acknowledge the positive contributions of Japan in providing impetus to the bilateral relations, Japanese aid has certainly played a key role. Japan became the biggest donor of funds that financed infrastructure and industrial projects of the Marcos Government. With Japan's commercial interests backstopping its aid policy, this has, not surprisingly, come in for criticism.

Japanese aid flowed into big industrial and infrastructure projects for which plants and equipment were procured from Japan. Following bitter criticisms from aid recipients and Japan's commercial competitors alike, Japanese financing was, as a matter of policy, "untied"--meaning, the money was allowed to be used to buy equipment and plants from sources other than Japan--but in practice, Japanese loans continued to be "tied," with the proceeds being largely used to buy Japanese goods and services, the latter, in the form of technical consultancies.

Even the Japanese grant aid (not to be repaid) somehow has flowed into areas where Japanese commercial interests are served--for instance, a computer project with the National Science and Technology Authority (NSTA) could be seen as a marketing tack on behalf of Japan's computer industry.

Aid from Japan in some instances has gone into projects here which the Japanese themselves would not dare to undertake in their own country and, thus was evidently used to circumvent Japanese laws or citizen opposition. Cases in point are controversial environment-polluting Japanese projects here. Another example is the crocodile farm in Palawan which has been set up despite certain Philippine crocodiles being listed as endangered species.

Japanese aid going into community development and people's livelihood projects --the kind of projects that most aid from other foreign donors go to and which, by the way, require relatively smaller amounts of financing--is a pittance compared to the aid going to projects directly related to Japan's commercial interests.

Japanese aid is also distinguished by the practically complete absence of people-to-people component, while many other donors such as Australia, West Germany and even the U.S. show a preference for projects of NGOS (non-governmental organizations) here.

Against the backdrop of Japan's domestic market opening gesture for its American and European trade competitors which have been extremely critical of Japanese "protectionism," Japan could only offer insignificant trade concessions to the Philippines and other Third World countries, and even these were largely incidental to the moves taken for the benefit of its Western allies.

Clearly, Philippine-Japanese relations lie on shaky foundations and for it to maintain the lofty heights it reached during the Marcos regime, much work has to be done. The burden clearly falls on Japanese shoulders.

/7051
CSO: 4200/844

EUROPEAN COMMUNITY PROPOSES INCREASED AID TO PHILIPPINES

HK260938 Quezon City BUSINESS DAY in English 25 Mar 86 p 18

[Text] President Corazon Aquino yesterday welcomed proposals from the European Community for an increase in its economic aid to the Philippines.

She expressed this sentiment before the socialist group from the European Parliament who called on her at the premier guesthouse in Malacanang yesterday. The group was composed of Enrique Barona, from Spain, Gerd Walter and Helmut Kurth from West Germany and Dirk Twornstra and Eisso Wolfjer from the Netherlands.

During the call, the delegation informed President Aquino of the group's effort to increase economic aid to the Philippines "as we consider this as a key factor to help the Filipino people who fought so courageously for freedom," Barona told newsmen.

He said the increase in aid to the Philippines is contained in a resolution approved overwhelmingly by the European Parliament.

It was the second resolution involving the Philippines submitted to the parliament, they said.

The first resolution, submitted last February, supported the Filipinos' struggle for freedom and urged measures to ensure clean and honest elections.

Barona said the group is in the country to establish social and political linkages. He added that the socialist bloc constitutes the majority in the European parliament.

The president yesterday also swore into office Leticia Ramos-Shahani as deputy foreign affairs minister. Witnessing the oathtaking rites were her brother, Armed Forces of the Philippines Chief of Staff Gen Fidel V. Ramos and his wife, Amelita.

/7051
CSO: 4200/844

DANAO GUN FACTORIES CLOSE DOWN

HK251416 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 24 Mar 86 p 3

[Article by Leo Enriquez]

[Text] Cebu City--Production of Danao-made handguns known internationally as "paltik" have stopped and several gun factories have been abandoned.

A number of gun makers who refused to be identified disclosed they voluntarily shut down right after President Aquino took over.

They claimed they were uncertain about their future, knowing that Danao City voted overwhelmingly for the deposed President Marcos last election.

Aside from this, they added, they were frightened when Political Affairs Minister Antonio Cuenco announced in Cebu that the new government will take steps to shut down the gun industry in Danao City.

The gun industry was legalized in the middle of December last year by an Executive Order issued by then President Marcos.

The industry, which was to generate for Danao City an additional P5-million in revenues, was intended for the export market.

MP Ramon Durano III introduced a bill in the Batasan last year to regulate gun-making and place it under the supervision of the defense ministry.

Just before the year ended, Danao gun makers demonstrated their first backyard made assault rifles and machine pistols.

Right now, 28,875 inhabitants of the city who derived their livelihood, directly or indirectly, from gun making are now jobless.

They cannot be absorbed by the Durano industries since some of the facilities or equipment are being rehabilitated necessitating shutdowns in the factory.

/7051
CSO: 4200/844

[illegible]

[illegible]

[illegible]

THAILAND

[redacted]

[redacted] Bangkok [redacted] to to Thai [redacted] [redacted] [redacted]

[Text] Colonel [redacted], representative of the National Security Operations Command [illegible], has reported on the Communist situation in the past month. He said there were [illegible] or armed communist insurgency activities during the past month, except in the Fourth Army Region where there were two clashes in Sichon District, Nakhon Si Thammarat Province, and in Meng Khant Subdistrict, Trang Province, resulting in the death of four government officials.

[redacted] and government officials were able to go on the offensive [illegible] and activities as a result of the implementation of Policy No [illegible]. A total of [illegible] communist terrorists surrendered and [illegible] others were arrested. A communist camp was captured and another deserted camp was discovered. Large [illegible] [illegible] weapons were discovered or handed in by surrendering communist insurgents.

[redacted] and communist terrorists in the Second [illegible] Region continued to conduct propaganda, hold meetings, and meet with local people in Ubonrat and Nanchu [illegible] districts of Khon Kaen Province using the cover of medical events. Communist terrorists in Chai Bardhan Province tried to establish contact with communists in Ban Ta Kae to demand various rights from the government.

In the Third [illegible] area, communist insurgents obtained information and food supplies and were active in the area where Uttaradit, Phitsanulok, and Lom Province met with the goal of spreading their activities to the plains and other areas. They also tried to expand their influence and were active in Nam Nonkan District, Phitsanulok Province and Thung Chang and Pak Phanang, [illegible] Province. Communist terrorists belonging to the Pak Nai or Green Star Party also crossed from Lom to Loei to find area where belonging to former prominent communist terrorists who have already surrendered to the government and to obtain information and contact with villagers in Chiang Khong and Thoeng Districts, Chiang Rai Province.

[illegible]

[illegible]

TEACHER DISCUSSES ROYAL CHILDREN, KING'S ATTITUDES

Bangkok DAILY NEWS in Thai 16 Feb 86 p 6

[DAILY NEWS Living Room column by Nail Wiwatchanont: "Lady Angkap Punyatikit, the Principal at the Chitlada School"]

[Excerpts] For most outsiders, visits to the palace are of a rather formal nature. But we had no trouble meeting with Lady Angkap Punyatikit, the principal at the Chitlada School. We met her late one day at the school, which is on the palace grounds.

When we met her, we quickly gave up the preconceived image that we had formed of her, because Lady Angkap is a very polite and gentle person. She has a very good disposition. Even though she is 50 years old, she is still quite attractive.

"I have taught at Chitlada for 30 years. But I have been the principal for only 2-3 years. The first principal was Lady Thatsani Punyakhup. She is the one who offered me a teaching position at Chitlada."

"When Princess Sirindhorn was 3 years and 3 months old and ready to start school, a kindergarten school was opened in the Dusit building near Rajmonkhon. At first there was just one room. There were eight students. Later on, a second story was added, with 8 students on each floor for a total of 16 students. That was when I came to teach here."

"In that case, you taught all the royal children," we said.

"Yes. I taught all the royal children. All of them were very talented. I am not praising them too highly. From what I see, all of the royal children were very intelligent. However, their dispositions were different."

"In what they different?" we asked.

"Sirindhorn loved books and was very diligent. The Crown Prince was naughty. But he was very clever and resourceful. Sirivadhna was similar to Sirindhorn. That is, she loved to study and learn. She was playful and cheerful. She got

along well with her companions. Princess Chulaphon has liked order and discipline ever since she was a child. Everything she did had to be very orderly.

Lady Angkap talked about the things that the king has said about the Chitlada School: "The king always said that teachers were not to give any special privileges to the royal children. One time, Lady Thatsani and I were in attendance when the king said--and I still remember his words very clearly--'If you love them, you have to punish them when they do something wrong. You have permission to scold or spank them. And if you spank them, it must be a hard spanking.'"

The king has also given the school permission to accept other students. They do not have to be of royal descent. The school accepts students without regard to race or class. Today, the Chitlada School has 470 secondary students and 97 kindergarten students. Among the kindergarten students is a "young princess." That young princess is Princess Siripha, the daughter of Princess Chulaphon and Squadron Leader Wirayut Ditsayasin.

Lady Angkap took us to visit the class of the king's granddaughter. She explained that "there are two teachers and one aide in this classroom. We do not try to teach very much. We sing songs with the children and teach them how to dance, draw and work with clay."

After that, we turned back to the school. Lady Angkap said that the "Chitlada School is a private school that operates with funds provided by the royal family. Students do not have to pay tuition. At present, we have only kindergarten and secondary students. The primary school was abolished a long time ago because we do not have enough space. However, we are planning to open primary classes next year in order to accept the students now in kindergarten."

Even though the number of students who attend Chitlada School is quite small as compared with the number who attend other schools, we are sure that many of those who graduate from this school will gain fame in various fields.

(END)
CBDA 4/07/83

EDITORIAL: STATE FIRM PRIVATIZATION STILL REMOTE

Bangkok MAEO MA in Thai 11 Feb 86 p 4

[Editorial: "Privatization of the State Enterprises Is Still Remote"]

[Text] Operating the state enterprises will continue to be a heavy burdenfor the government even though the government has implemented a policy to lighten the burden in fiscal 1986. It plans to do this by transferring those state enterprises that are operating at a loss, with the exception of those that are involved in public service activities, which are services that the state must provide to the people, to the private sector.

A recent report from the Comptroller-General's Department stated that in fiscal 1985, the government had to guarantee loans totaling 40 billion baht for 63 state enterprises subordinate to various ministries, bureaus and departments. That is approximately 20 percent of the government's expenditure budget! This shows that the government must take urgent action to solve this problem.

Based on the surveys that have been conducted, there are four main reasons for the crisis in the state enterprises. First, instead of increasing efficiency, capital and labor investments have been greatly increased. Second, centralized or monopoly type administration has slowed operations. Third, revenues have been smaller than investments. Fourth, the state enterprises have borrowed so much money that the government can no longer bear the burden.

However, privatization of the state enterprises that are operating at a loss because of inefficient management is proceeding very slowly. This is because of the opposition that this is encountering from those people, including administrators and other personnel, who profit from these organizations. What is most lacking is resoluteness on the part of those responsible for transferring the state enterprises.

Now, the Ministry of Finance, which is the one who proposed this and which received authorization from the cabinet around the middle of 1985, is reviewing the matter again. To date, no resolute action has been taken to bring about privatization. The only thing that has been done is to encourage

those state enterprises that have problems to improve their administrative efficiency at higher echelons. This is being done by threatening not to authorize loans.

This has had very little real effect when you consider the fact that most of the state enterprise administrators are influential people who have many political connections. It is believed that the state enterprise problem will continue to be a chronic problem just like other problems that the government has not been able to solve.

11943
CSO: 4207/183

EDITORIAL SEEKS MORE ECONOMIC COOPERATION IN ASEAN

Bangkok NAEO NA in Thai 17 Feb 86 p 4

[Editorial: "Economic Cooperation Among the ASEAN Countries"]

[Text] Last Sunday, Air Chief Marshal Sitthi Sawetsila, the deputy prime minister and minister of foreign affairs, granted a special interview to THE NATION and spoke about an undesirable trend in relations between the ASEAN countries, particularly in the field of economic cooperation. That trend is known as "protectionism among the ASEAN countries." Air Chief Marshal Sitthi said that as the situation in each country grows worse and worse because of the world economic situation, each country will become more selfish and restrictive and think only in terms of its own survival.

ASEAN will soon be 20 years old. The principal objective in forming this regional association was to foster economic cooperation. But in reality, there is much more political cooperation than economic cooperation. This shows that the political and security problems in this region are much more serious and urgent.

However, it is now generally accepted that the Cambodian problem, which has threatened the peace and stability of this region for a decade now, no longer poses a great threat and that ASEAN has succeeded in preventing this problem from growing worse. Because of this and because of the fact that the world economic situation is becoming much more serious and is affecting the ASEAN countries, the ASEAN countries should review things and determine on what fronts they really need to cooperate in the coming decade.

Except for the Philippines, which is still "bogged down" in domestic political problems, the other members of ASEAN recently took action to change the direction of their economies and trading activities. They joined together in order to bargain with the great trade powers on matters such as textiles, and this has shown that there is a possibility of their coordinating their international trade policies more closely. ASEAN could become an influential trade group.

But to do this, the first thing that ASEAN must do is bring about economic and trade cooperation within the group. The Thai government's proposal that the leaders of the ASEAN countries hold a summit conference to discuss this problem should be supported.

11943
CSO: 4207/183

BRIEFS

CAMBODIAN BORDER INCIDENTS--Two Thai soldiers and one civilian were seriously wounded by booby traps planted by Vietnamese soldiers on the Thai-Cambodian border. The incident took place in Ban Khao Saraphi near the Thai-Cambodian border. Between 1 and 24 March, Vietnam fired more than 140 shells into Thailand damaging 8 houses. Meanwhile, DK forces attacked a Vietnamese depot in the Phnum Malai area, southwest Cambodia, resulting in 24 Vietnamese soldiers killed and 30 wounded. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT 25 Mar 86 BK] /12232

CSO: 4207/199

SON SANN, KHIEU SAMPHAN COMMENT ON CGDK PROPOSAL

BK240402 (Clandestine) Voice of Democratic Kampuchea in Cambodia 2330 GMT 23 Mar 86

[Text] After returning from Beijing on 21 March, Prime Minister Son Sann and Vice President Khieu Samphan told a XINHUA reporter in Bangkok that the CGDK's eight-point proposal to find a political settlement to the Cambodian problem demonstrates its political unity. The fact that Vietnam has rejected this proposal shows that it has no desire for peace.

Prime Minister Son Sann stated that although the CGDK resistance forces have fought well on the battlefield this year, they want to settle the Cambodian issue through political means by giving the Vietnamese the opportunity to solve this problem through negotiations.

Vice President Khieu Samphan said that the eight-point proposal is the result of the efforts of the three parties of the CGDK under the leadership of Samdech Norodom Sihanouk as well as the result of their common struggle against the Vietnamese aggressors. He added: The CGDK will stand firmly on this proposition and will struggle in conformity with this proposal. The continuation of the war in Cambodia can destroy Vietnam while the immediate and reasonable settlement of the Cambodian problem can benefit Vietnam. He appealed to the Vietnamese people to cooperate with the Cambodian people to settle the Cambodian issue in order to restore the friendly relations between the two peoples.

/12232
CSO: 4212/67

ROUNDUP OF BATTLE REPORTS BROADCAST 14-20 MAR

BK211009 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea [VONADK] and the Voice of Democratic Kampuchea [VODK] in Cambodian broadcast the following battle reports during the reporting period 14-20 March VONADK at 2315 GMT on 14 March reports that DK forces attacked and dismantled the Vietnamese administrative apparatus at Pram Yam commune, Srei Santhor District, Kompong Cham Province, on 8 March; at Khnao Dambang commune, Cheung Prey District, Kompong Cham Province, on 9 March; at Thlok Vien commune, Kompong Tralach District, Dompong Chhnang Province, on 1 March; at Sangke Popok commune, Thpong District, Kompong Speu Province, on 20 February; and at Krang Ta Kien commune, Samraong Tong District, Kompong Speu Province, on 9 March; ambushed a truck on the Koh Kong Leu battlefield on 11 March; attacked a rice mill in Cheung Prey District, Kompong Cham Province, on 9 March; and conducted other actions on the Peam Ta, South Sisophon, Koh Kong, Kompong Speu, northwestern Phnom Penh, Battambang, and Kompong Chhnang battlefields between 5 and 11 March, killing or wounding 114 Vietnamese soldiers; destroying 3 commune office buildings, 3 guns, 1 truck, 3 storehouses of war materiel, 1 garment warehouse, 5 rice milling machines, 16 motorcycles, 21 bicycles, 1 boat, and a quantity of ammunition and military materiel; and seizing some arms, ammunition, and war materiel.

VODK at 2330 GMT on 16 March reports that as results of activities conducted by DK forces on the Kampot, Kompong Speu, Samlot, Pailin, North Sisophon, Siem Reap, Oddar Meanchey, and Kompong Thom battlefields, 275 Vietnamese soldiers were killed or wounded and 2 others were captured; 130 assorted guns, 7 trucks, 1 motorcycle, 1 rice milling machine, 1 2-watt telegraph, 1 C-25 field radio, 1 garment warehouse, 5 commune office buildings, 5 barracks, and some ammunition, and some war materiel were seized; a Vietnamese battalion was destroyed; a Vietnamese battalion position was captured; 5 commune and 4 village administrations were dismantled; and 24 villages were liberated.

VONADK at 2315 GMT on 16 March reports that DK forces dispersed and dismantled 10 Vietnamese village administrations in Khna Sar and Tong Tralach communes east of Prek Ta Meak and north of Vihear Suor of Srei Santhor District respectively on 11 March; attacked and liberated Rovieng township in Rovieng District on 9 and 10 March; attacked and dismantled the commune administration in Kea commune on the Moung-Pursat battlefield on 8 March; dispersed and dismantled the Prey Svay commune administration in Mount District on 10 March; attacked and dismantled the Mlich commune administration in Bakan District, Pursat Province,

on 10 March; and conducted other actions on the Samlot and South Battambang battlefields on 11 March, on the Kompong Cham and Peam Ta battlefields on 13 March, on the Kompong Thom battlefield on 13 March, on the Moung-Pursat battlefield on 12 March, on the Samlot battlefield on 9 and 12 March, on the Pailin battlefield on 6 March, on the Kompong Cham battlefield from 6 to 11 March, on the Moung-Pursat battlefield on 10 March, and on the western Leach battlefield on 14 March, killing 86 and wounding 104 Vietnamese soldiers; dismantling 5 commune administrations and 10 village administrations; destroying 45 assorted guns; cutting 260 meters of railroad track; destroying 7 commune office buildings and 3 trucks; damaging 1 truck; destroying 1 tractor, 1 rice milling machine, 2 guardhouses, 18 barracks, 1 compass, and some war materiel; seizing 15 guns and some ammunition and materiel; and liberating 10 villages on the eastern Kompong Cham battlefield and 10 others on the Moung-Pursat battlefield.

VONADK at 2315 GMT on 17 March reports that DK forces attacked or dismantled the Vietnamese administrative apparatuses at Bavel commune on the South Sisophon battlefield on 6 March, at 3 villages in Cheung Prey District, Kompong Cham, on 10 March, and at Mesar commune in Kang Meas District, Kompong Cham, on 9 March; ambushed and set ablaze 5 trucks moving from Toek Sap on the South Sisophon battlefield on 14 March; routed a Vietnamese company on the west Battambang battlefield on 13 March; and conducted various other actions on the Battambang, south Sisophon, east Battambang, and west Battambang battlefields between 6 and 14 March, killing or wounding 91 Vietnamese soldiers; destroying 1 commune office building, 4 guns, 5 trucks, 1 motorcycle, 3 guardhouses, 20 barracks, and some ammunition, documents, and war materiel; seizing 11 guns, 100 mines, and some ammunition and war materiel.

VONADK at 2315 GMT on 18 March reports that DK national army combatants dismantled the Vietnamese administrative networks of Kaoh Roka and Vihear Thom communes in Kompong Siem District on 10 March and Prek Kaoh commune in Stoeng Trang District, Kompong Cham, on 11 March, Chrak Banteay commune in Prek Prasap District, Kratie, on 8 March, O Cheung Kou village in Prey Nop District, Kompong Som battlefield, on 3 March, Amleang commune, northwest Phnom Penh battlefield, on 10 March, Kaoh commune in Kong Pisei District, Kompong Speu Province, on 8 March, and Prek Pi, Pring Tum, and Trapeang Chraneang villages in Tuk Meas District on 12 March, Kaoh Sdau village in Kompong Trach District on 7 March, Angkor Chey village on 13 March, and Thmei commune in Chhuk District on the Kampot battlefield on 12 March; ambushed a Vietnamese armored car on Route 6 in Cheung Prey District, Kompong Cham, on 6 March; attacked a Vietnamese battalion position at Trapeang Kreul in Thpong District northwest of Phnom Penh on 8 March and a platoon position at Veal Pon commune in Udong District on 6 March; and launched other actions against the Vietnamese on the Pailin, Kompong Speu, Koh Kong Leu, Kompong Som, Kampot, Cheep, Kompong Thom, and northwest Phnom Penh battlefields between 2 and 15 March, killing or wounding 185 Vietnamese soldiers; destroying 7 guns, 1 commune office building, 1 guardhouse, 11 barracks, and some war materiel; seizing 11 guns and some ammunition and war materiel; and liberating 6 villages on the Kompong Cham battlefield, 5 villages on the Kompong Speu battlefield, and 3 on the Kampot battlefield.

VONADK at 2315 GMT on 19 March reports that DK forces put out of action 125 Vietnamese soldiers; dismantled 1 commune and 4 village administrations; destroyed

19 assorted guns, 1 truck, 1 C-25 radio, and some war materiel and ammunition, and seized some arms, ammunition, and materiel in various actions on the Pailin, western Leach, Kompong Som, South Battambang, East Battambang, Kompong Cham, and Northwest Phnom Penh battlefields between 5 and 16 March.

VONADK at 2315 GMT on 20 March reports that 156 enemy elements, including 2 Soviet experts and 18 Vietnamese commanders, were killed and 117 others were wounded; 3 commune office buildings, 50 assorted weapons, 15 trucks, 1 military training school, 2 bridges, 1 guardhouse, and some ammunition and materiel were seized; and 3 villages on the Moung-Pursat battlefield and 20 others on the Kompong Thom battlefield were liberated by DK forces in various actions conducted on the Samlot, Kompong Thom, Moung-Pursat, Kompong Cham, West Battambang, and Phnom Penh suburbs battlefields between 6 and 16 March.

/12232
CSO: 4212/67

[illegible]

[illegible]

[illegible]

[illegible] of [illegible], [illegible], [illegible]

[illegible] Commercial Report. [illegible] [illegible] [illegible]

Dae Kwang Province. Phase Four ended on [illegible] on 3 March reporting that as of mid-February, prisoners in Dae Kwang Province had sold nearly [illegible] metric tons of paddy on the stock. According to the radio at [illegible] on 3 March, prisoners in Dae Kwang Province also for grow nearly [illegible] hectares of [illegible]. During January, they unemployed more than [illegible] hectares of rice.

Kangwon Sim. Phase Four ended on [illegible] on 3 March. Prisoners in Kangwon Sim caught more than [illegible] metric tons well-marked fish and nearly [illegible] metric tons of other kinds of sea food in [illegible].

Kangwon Chiwang Province. Phase Four ended on [illegible] on 4 March. According to the end of February, prisoners in Kangwon Chiwang Province had sold more than [illegible] metric tons of paddy to the state and paid more than [illegible] metric tons in national patriotic contributions. The radio on [illegible] on 4 March stated that prisoners in Kangwon Jang Kiwanin, Kangwon Chiwang Province, also for grow [illegible] hectares of [illegible] two and, by early February, they had unemployed more than [illegible] hectares.

Kangwon Province. The radio on [illegible] on 3 March stated that by mid-February, prisoners in Kangwon Province had planted [illegible] hectares of non-[illegible] rice and unemployed [illegible] hectares of rice. They also planted about [illegible] hectares of [illegible] crops. Phase Four [illegible] on [illegible] on 3 March reported that in [illegible], prisoners Kangwon Province caught [illegible] metric tons of [illegible].

Kaesong Province. Phase Four [illegible] on [illegible] on 3 March reported that by mid-February, prisoners in Kaesong Province had unemployed [illegible] hectares. Prisoners Kaesong Province took the land [illegible] hectares. They also fertilized [illegible] hectares of [illegible] high-yield varieties. In addition, [illegible] hectares in the province were planted with [illegible] Phase Four ended on [illegible] on 3 March noted that from [illegible] to early February, prisoners in Kaesong Kwang Kwanjeol of Kaesong Province sold more than [illegible] metric tons of paddy to the state.

Kangwon Sam Province. Phase Four ended [illegible] on 3 March noted that by mid-February, prisoners in Kangwon Sam Province, Kangwon Sam Province had unemployed [illegible] hectares of [illegible] rice. By February, they planted [illegible] hectares of [illegible] rice.

[illegible]
[illegible]

REPORT ON AGRICULTURAL DEVELOPMENTS 15-21 MARCH

PHNOM PENH (National Report) - Cambodian media mentioned at Bangkok Domestic carried the following reports on agricultural developments during the reporting period 15-21 March:

Kandal Province - PPR in English at 1800 GMT on 23 March reports that in mid-February, peasants in O'Reng District had sown rice seeds on 1,000 hectares and put nearly 1,000 hectares under dry season rice by transplanting, including 1,200 hectares of the high-yield IR-36 strain. The area accounted for this dry season crop is 1,400 hectares. To meet the needs of the population, the district agricultural service supplied the peasants with 700 metric tons of chemical fertilizer, 1,800 liters of insecticide, 20 tonnes pesticide, and 1,200 liters of herbicide. Besides planting rice, the peasants also covered 1,200 hectares with industrial and subsidiary food crops. PPR in French at 1230 GMT on 23 March reports that during the current dry season, the peasants in Kandal Stung District planted 400 hectares of rice, or 5 percent above the plan and covered 204 hectares of land. The agricultural service also provided the peasants in this district with 40 tonnes of fertilizer, 3 metric tons of chemical herbicides, and 400 liters of insecticide.

Kampong Cham Province - Phnom Penh Domestic Service in Cambodian at 0430 GMT on 21 March reports that from the beginning of 1986 to 20 January, the crops services of Kampong Cham Province bought more than 1,000 metric tons of soybeans from the peasants. PPR in English at 1130 GMT on 17 March reports that the peasants in Kang Meas District of Kampong Cham Province had already transplanted 1,400 hectares of dry season rice. The district agricultural service supplied the peasants with chemical fertilizer, kernel cake, herbicides, insecticide, and other necessities. The peasants had also covered 62 hectares with corn, 210 hectares with beans, 150 hectares with peanuts, 400 hectares with tobacco, 67 hectares with sugar cane, and 12 hectares with cotton.

Kampong Chhnang Province - PPR in English at 2100 GMT on 21 March reports that the peasants in Baksan District have planted rice on one quarter of the 800 hectares intended for this dry season cropping. Moreover, they planted 420 hectares with beans, corn, tobacco, and sugar cane. The provincial agricultural service has been also trained to help the peasants prepare land for the coming monsoon rice planting. To date, over

have planted 4,20 hectares. SPK in English at 1100 GMT on 16 March reports that by the end of February, the peasants in Kampong Chhnang Province had put 2,700 of the 6,300 hectares plan under dry season rice. Taking the lead was Kampong Tralach District with 1,860 hectares or 70 percent of its plan. The provincial agricultural service supplied the peasants with 181 metric tons of chemical fertilizer, 2,000 liters of insecticide, and 80 kg of rat poison. SPK in English at 1104 GMT on 11 March reports that peasants in Kampong Chhnang Province have now completed harvest on 33,240 hectares of monsoon rice with an average yield of 2 metric tons per hectare. In this dry season, they put 2,040 hectares under rice and 4,900 hectares with industrial and subsidiary food crops. They also turned 1,650 hectares of unutilized land into rice fields. The Ministry of Agriculture supplied the peasants with 2,000 liters of insecticide, 102 metric tons of chemical fertilizer, and a quantity of rat poison. The province raised 32,700 head of cattle, 31,000 pigs, and tens of thousands of domestic fowls. By the end of January, fishermen in this province netted 6,900 metric tons of fish. The radio at 0630 GMT on 16 March reports that so far, peasants in Kampong Leng District of Kampong Chhnang Province had given 69 metric tons of paddy as patriotic contribution to the state.

Kampong Speu Province: Phnom Penh Domestic in Cambodian at 0630 GMT on 16 March reports that up to 23 February, peasants in Kong Pisei District had transplanted more than 170 hectares of rice. The radio at 1000 GMT on 11 March reports that up to 11 February, peasants in Bar Kev District had transplanted 356 hectares of dry season rice and planted nearly 70 hectares of subsidiary food crops and more than 70 hectares of industrial crops. The radio at 0630 GMT on 15 March reports that this year, the agricultural service in Bar Kev District bought more than 50 metric tons of rice seed from the peasants. The radio at 1000 GMT on 15 March reports that so far, peasants in Aoral District have sold 200 metric tons of paddy and given 40 metric tons of paddy to the state as patriotic contribution. The radio at 1000 GMT on 16 March reports that the peasants in Samraong Tong District have sold more than 1,000 metric tons of paddy to the state.

Kampot Province: The radio at 0630 GMT on 18 March reports that in 1982, the peasants in Kampot Province raised more than 140,000 head of cattle and more than 190,000 pigs. The radio at 1000 GMT on 14 March reports that up to 14 February, the peasants in Kampot Province had given more than 2,000 metric tons of paddy to the state as patriotic contribution.

Koh Kong Province: The radio at 1040 GMT on 13 March cited the vice-chairman of Koh Kong Provincial People's Revolutionary Committee as saying that the province plans to grow crops on 15,000 hectares in Tra Kaek and Botumsakor Districts.

Kompong Thom Province: SPK in English at 0504 GMT on 15 March reports that in mid-February, the peasants in Baray District of Kompong Thom Province had sold 1,800 metric tons of their surplus rice to the state. To assure this coming season's planting, the provincial agricultural service plans to cooperatively till 14,000 hectares of land. In a meeting 22 February

700 hectares were turned up. The radio at 0430 GMT on 14 March reports that the tractor operators in Pursat Province have tilled 700 hectares of land for the peasants. The radio at 1300 GMT on 16 March reports that by the end of February, peasants in Phnum Kravanh District of Pursat Province had harvested nearly 6,000 hectares of rice with an average yield of 1.5 metric tons per hectare.

[name indistinct] Province: The radio at 1300 GMT on 10 March reports that by 23 February, peasants in Kompong Thom Province had given more than 230 metric tons of rice as patriotic contribution and sold more than 1,400 metric tons of surplus paddy to the state. The radio at 1300 GMT on 13 March reports that between 1 and 31 January, Kompong Thom Province gathered 106 metric tons of paddy patriotic contribution to the state.

Takeo Province: The radio at 1300 GMT on 14 March reports that by 10 February, the peasants in Prey Kabbas District had sowed 380 hectares of dry season rice and transplanted nearly 2,800 hectares. This year, they plan to grow 5,000 hectares of dry season rice. They had also planted 190 hectares of subsidiary crops. SPK in English at 1107 GMT on 10 March reports that the agricultural service of Takeo Province and the Farm Machinery Department under the Ministry of Agriculture have sent 140 tractors to help the peasants prepare 23,000 hectares of land for the coming monsoon rice crop. Last monsoon, more than 23,100 hectares of rice fields in Takeo Province were plowed by tractors.

Svay Rieng Province: The radio at 1300 GMT on 11 March reports that in early February, the peasants in Svay Ro District had transplanted nearly 1,500 hectares of dry season rice and planted more than 1,000 hectares of subsidiary crops and more than 300 hectares of vegetables. They plan to grow 4,000 hectares of dry season rice.

Svay Rieng Province: SPK in English at 1054 GMT on 13 March reports that in the third week of February, the provincial agricultural service had tilled 900 hectares of the 8,500 hectares of rice fields planned for mechanical tilling in the coming monsoon rice cropping.

[illegible]
[illegible]

REPORT ON AGRICULTURAL DEVELOPMENTS 17-23 MARCH

BK241021 [Editorial Report] Cambodian media monitored by Bangkok bureau carried the following reports on agricultural developments during the reporting period 17-23 March:

Kompong Chhnang Province: Phnom Penh Domestic Service in Cambodian at 1300 GMT on 17 March reports that Kompong Chhnang provincial authorities had bought more than 2,400 metric tons of paddy or 15 percent of the plan by 8 March. They also received 1,150 metric tons of paddy as patriotic contributions from the population. Phnom Penh SPK in English at 1103 GMT on 20 March states that by the end of February, solidarity fishing groups in the province had netted 6,950 metric tons of fish, representing a threefold increase over the same period last year. The catch, besides being sold as fish to the population, was processed into 40 metric tons of dried fish, 10 metric tons of smoked fish, and 50 metric tons of fermented fish. Phnom Penh radio at 1300 GMT on 23 March reveals that peasants in the province had sowed 1,000 hectares of rice and transplanted more than 3,600 hectares out of the 6,300 hectares earmarked for dry season rice by 10 March. They also planted 3,700 hectares of food crops.

Kompong Speu Province: English at 1100 GMT on 17 March notes that by early March, peasants in the province had transplanted IR-36 high-yield rice on 1,400 of the 1,500 hectares planned for this dry season. Bar Set and Kong Pisei districts were taking the lead with 359 and 176 hectares respectively. They are now reaping some 650 hectares of early rice with an average yield of 2,170 kg per hectare. Besides rice plants, they covered 640 hectares with subsidiary food crops. According to SPK English at 1103 GMT on 19 March, the irrigation network in the province has been expanded over the past years. The province has a total of 705,700 hectares with some 150,000 hectares of arable land of which 130,000 hectares are for rice cultivation and the rest for subsidiary food crops. So far, more than 640 dams of different sizes and reservoirs have been built watering from 15,000 to 25,000 hectares in the dry season.

Kandal Province: Phnom Penh radio at 0430 GMT on 18 March states that by mid-February, peasants in Kandal Stoung District had transplanted almost 600 hectares of dry season rice or 100 percent of the plan. The agricultural service prepared to help peasants with 45 waterpumps. 2,00 liters of

gasoline, 30 metric tons of chemical fertilizer, and 500 liters of insecticide. According to Phnom Penh radio at 1300 at GMT on 18 March, peasants of Dangkao District plan to grow 300 hectares of dry season rice. By early March, they had transplanted more than 120 hectares.

Pursat Province: SPK English at 1100 GMT on 17 March reports that by the end of February, peasants in Phnum Kravanh District had harvested 6,000 hectares of monsoon rice with an average yield of 1.5 metric tons per hectare. In the same period, the peasants had covered 234 hectares with subsidiary food crops. To improve their living conditions, the peasants raised hundreds of thousands of cattle, pigs, and poultry. Their draught animals now number 5,000 head, 600 more than in 1984. SPK English at 1105 GMT on 20 March notes that by mid-February, peasants in Krakor District had sold 100 metric tons of their surplus rice to the state. This year, they will sell to the state 300 metric tons of rice.

Takeo Province: Phnom Penh radio at 0430 GMT on 19 March reports that 140 tractors were sent to the province to help peasants till the land. Land earmarked for tilling is 23,000 hectares. According to the radio at 0430 GMT on 23 March, by 4 March peasants in the province had tilled nearly 3,000 hectares of land, sowed more than 5,000 hectares of rice, and transplanted nearly 3,000 hectares of rice. The provincial agricultural service had distributed more than 762 metric tons of chemical fertilizer to peasants in the province. The radio at 1300 GMT on 19 March says that by 12 February, peasants in Treang District had transplanted more than 2,300 hectares of the 4,500 hectares earmarked for dry season rice planting. Out of this 2,000 hectares were put under IR-36 rice. The radio at 1300 GMT on 23 March states that peasants of Treang District had by 7 March sold to the state 497 metric tons of paddy and paid 675 metric tons of paddy in patriotic contributions.

Svay Rieng Province: Phnom Penh radio at 1300 GMT on 19 March says that tractor operators in the province plowed more than 9,600 hectares of land for dry season rice growing. According to SPK English at 1103 GMT on 17 March, by mid-February peasants in Kompong Rou District had planted dry season rice on 210 hectares including 170 hectares by direct sowing. The peasants gathered 1,000 metric tons of organic fertilizer and put 110 hectares under subsidiary food crops, including peanut, sesame, cassava, and sugar cane.

/9738
CSO: 4212/60

BRIEFS

VOCATIONAL TRAINING--Phnom Penh SPK 10 March--A delegation of the General Department for Vocational Training of the Socialist Republic of Vietnam led by Deputy Director Tran Ly visited Kampuchea from 27 February to 6 March at the invitation of the Kampuchean Ministry of Education. During its stay in Kampuchea, the delegation was received by Chea Soth, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and vice premier. It also exchanged views with the delegation of the Kampuchean Ministry of Education on the organization and management work and signed a protocol on bilateral cooperation for 1986. [Text] [Phnom Penh SPK in english 1110 GMT 10 Mar 86 BK] /12232

ECONOMICS COURSE--Phnom Penh SPK 11 March--A special 3-year course on economics for 150 cadres in charge of finance, trade, banking and economic planning was opened at the Institute of Economics in Phnom Penh Monday. The opening ceremony was attended by Chan Phin, member of the Central Committee of the People's Revoluitonary Party of Kampuchea, minister of home and foreign trade; Pen Navut, candidate member of the party Central Committee and minister of education; and other officials. The course will equip the attendants with necessary knowledge in organizing and working out plans for the socialist economy so as to help them effectively carry out the socio-economic rehabilitation programme set at the Fifth Congress of the People's Revolutionary Party of Kampuchea. The institute, established in 1984 and now running five faculties: A faculty of agro economics; faculty of industrail economics and capital construction; faculty of commercial economics; materials and tariffs; faculty of finance, accountancy and banking; and faculty of planning, statistics, salary and labour. [sentence as received] It has already opened two courses for 251 students. [Text] [Phnom Penh SPK in English 1108 GMT 11 Mar 86 BK] /12232

BULGARIAN HEALTH DELEGATION VISITS--Phnom Penh SPK 10 March--A delegation of the Health Ministry of the People's Republic of Bulgaria led by Mardjanov, deputy minister, arrived in Phnom Penh on Monday for an official friendship visit to Kampuchea. The Bulgarian guests were greeted on their arrival by Seng Limnoven, Kampuchean vice minister of public health, and other health officials. Ivodov V. Dempsov, Bulgarian extraordinary and plenipotentiary ambassador to Kampuchea was also present. [Text] [Phnom Penh SPK in English 1113 GMT 10 Mar 86 BK] /12232

CDR AMBASSADOR RECEIVED--Phnom Penh, 10 March (SPK)--Seif Dach, new ambassador extraordinary and plenipotentiary of the CDR to Cambodia, presented his

credentials to Chairman of the Council of State Heng Samrin yesterday. Seconded by Kong Korm, first deputy minister of foreign affairs, and Chan Ven, secretary general of the Council of State, Chairman Heng Samrin expressed his belief that the mission of the new ambassador will bring about an active contribution to strengthening the bonds of friendship and solidarity between the two countries, particularly to the implementation of all-round Cambodian-GDR cooperation for the 1986-1990 period. For his part, Rolf Dach expressed satisfaction with the development that took place in Cambodia during the past 7 years under the just leadership of the KPRP. He affirmed that the GDR closely follows and always stands on the side of the Cambodian people who are fighting to defend and rebuild their country progressing toward socialism. [Text] [Phnom Penh SPK in French 1147 GMT 18 Mar 86 BK] /12232

THAI 'VIOLATIONS'--Phnom Penh SPK 21 March--In the week ending 14 March Thai aircraft of L-19 and A-37 type made nine reconnaissance flights over the areas of border intersection of Kampuchea, Thailand and Laos, Hill 547, northwest Anlung Veng, Yeang Dangkum, Poipet and west of Smat Deng, from 1 to 2 kilometers inside Kampuchea. On sea, Thai vessels 157 times operated in the areas from 7 to 74 km off Kaoh Kong and Kaoh Tang Islands. In the same week, several groups of Khmer reactionaries crossed the border from Thailand into the Kampuchean territory for sabotage activities. They were intercepted by the Kampuchean border guards. One hundred of them were put out of action including 67 killed, 12 wounded, 9 captured and 12 forced to surrender. Forty-three weapons, and a quantity of ammunition and other military equipment were seized. [Text] [Phnom Penh SPK in English 1120 GMT 21 Mar 86 BK] /12232

INDIAN COMMUNIST LEADER GREETED--Phnom Penh SPK 22 March--Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee has sent a message to Rajeshwara Rao, congratulating him on his re-election as general secretary of the National Council of the Communist Party of India (CPI). In his message, Heng Samrin said: "The success of the CPI's 13th Congress is an important step towards greater successes for your party in the light of the resolution of the congress. We are convinced that under your leadership, the Communist Party of India will incessantly develop for the cause of peace, democracy and social progress, thus actively contributing to defending peace in the region and the world over. "On behalf of the Central Committee of the KPRP and the entire Kampuchean people, we wish you good health and new successes," Heng Samrin concluded. [Text] [Phnom Penh SPK in English 1131 GMT 22 Mar 86 BK] /12232

BULGARIAN HEALTH DELEGATION--Phnom Penh SPK 22 March--The delegation of the Bulgarian Health Ministry led by Vice Minister Mardzhanov left Phnom Penh Friday, concluding its 4-day official freindship visit to Kampuchea. The delegation was farewelled by Yith Kim Seng, minister of public health; Lyuden Danyanov, Bulgarian ambassador, and other Kampuchean officials. During its visit, the delegation was received by Chea Soth, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, vice chairman of the Council of Ministers and minister of planning. It also attended the inauguration of a Bulgarian-funded [word indistinct] ward of "Padevoat" (revolution) hospital. The delegation also visited a pharmaceutical factory in Phnom Penh and the Angkor Wat temple in Siem Reap-Oddar Meanchey Province. [Text] [Phnom Penh PRK in English 1148 GMT 22 Mar 86 BK] /12232

MEN SAM-AN VISITS KRATIE--Phnom Penh SPK 23 March--Men Sam-an, politburo member, and president of the Commission for Organization, of the People's Revolutionary Party of Kampuchea Central Committee, has made an inspection tour of Kratie Province, some 200 km northeast of Phnom Penh. During her visit, Men Sam-an called on cadres, combatants and population in the provincial town, the districts of Kratie and Sambo, and conveyed to them best regards from the party leadership. She also recommended them to better implement the tasks of the three revolutionary movements, especially in production, by paying great attention to the four spearheads of economy, as stated in the resolutions of the recent Fifth Party Congress. [Text] [Phnom Penh SPK in English 0520 GMT 24 Mar 86 BK] /12232

CSO: 4200/835

MILITARY AFFAIRS AND PUBLIC SECURITY

GENERAL HOANG VAN THAI ADDRESSES SCHOOL CONFERENCE

BK280820 Hanoi Domestic Service in Vietnamese 1400 GMT 27 Mar 86

[Text] From 24 to 26 March, the Ministry of National Defense, the General Staff, and the General Political Department held an all-Army conference on school work to review the implementation over the past 5 years of Resolution No 26 of the Standing Committee of the Party Central Committee Military Commission on 1981-1985 school work and to define the guidelines and tasks of military schools for the next 5 years, 1986-1990.

Senior General Hoang Van Thai, vice minister of national defense, presided over the conference, which were attended by nearly 200 delegates from various leading organs of the Defense Ministry and leaders of various organs of the general departments, military regions, army corps, armed branches and services, institutes, and schools.

The conference unanimously noted that, over the past 5 years, all Army institutes and schools have obtained fine results in many fields such as further basically and uniformly strengthening the system of army schools, defining a model curriculum for all institutes and schools, improving the contents of training to ensure a thorough understanding of the party's military line, closely monitoring combat activities, strengthening the contingent of teachers both quantitatively and qualitatively, improving and renovating equipment, effecting a reorientation in building and ensuring material bases for training according to the new training program and methods, and so forth. The Army institutes and schools have trained tens of thousands of cadres with ever higher quality, thereby partly satisfying the requirements of cadre training in the new stage. These results have created a fairly firm basis for the successful implementation of Army schools' guidelines, tasks, and targets for the next 5 years, 1986-1990.

The conference also seriously carried out self-criticism and criticism concerning the still existing shortcomings in guidance and organization of plan implementation. It drew useful lessons and made valuable suggestions regarding the targets and development of Army school work in the next 5 years.

Addressing the conference, Senior Gen Hoang Van Thai commended the achievements and results already recorded in school work and praised the efforts of various echelons, sectors, institutes, and schools over the past 5 years. He instructed all echelons and sectors to realize more fully the importance of school work in the training of cadres, to pay greater attention to guiding Army schools,

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] Hanoi Domestic Service in Vietnamese 1100 GMT 25 Mar 86

[Text] The Engineering Command held a grand ceremony in Hanoi this morning to mark the 40th anniversary of the Engineer Corps, 25 March 1946–25 March 1986.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]—The Honorable Harry Alfonso Hallmark (San Juan San Juan County Board Member) and the House of Delegates held a joint conference in Room [illegible] of [illegible] to discuss improving the quality and effectiveness of radio programs through programs for Vancouver cabins, students, and authors abroad. Colonel Fred Lab, member of the party Central Committee and advisor to speaker of the House of Delegates, presided the conference. Numerous representatives of the persons and departments in charge of managing overseas cabins, students, and authors were also present and made suggestions aimed at increasing the propaganda effectiveness of the radio program for Vancouver living abroad. The conference investigated the recent efforts and initial results of these programs and agreed on the adoption of plans and directions of propaganda work for the period ahead. [illegible] Report Industry Service to Vancouver Kids [illegible] [illegible] [illegible] [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

The customer moved over to another counter to look at a bicycle. "The cost is this one?"

"Sorry, we have recently received a order to stop sales."

The incident above occurred at the [illegible] [illegible] [illegible] merchandise store, in front of the Ba Chieu Market, on 7 January 1986 (see the 15 January 1986 issue of SAIGON GIAI PHONG).

Similar incidents have also occurred in many state stores in the 1st, 5th and 8th precincts and at this time, consumers can be seen a similar situation: the merchants either have no goods or they have goods...but no prices. [illegible], private merchants outside have anything that is asked for (for the most part goods under state management) and yet one is lacking a price (or only a [illegible] level). They continue to live by [illegible] [illegible] off and trading the goods.

In the middle of a large city like Saigon, a struggle to see "who beats whom" in the market is unfolding daily and hourly.

Nevertheless, I must still call on [illegible] in the Price Commission, "Is you [illegible] bureaucratism and state subsidization but demand that we do not use [illegible] to state subsidization...in a bureaucratic manner?"

1 January 1986
[illegible] [illegible]

Last minute news: The Provincial Party Committee and Municipal People's Committee of Ho Chi Minh City recently launched a widespread movement to halt "price increases" and to compel merchants [illegible] the [illegible] and [illegible] [illegible] [illegible] to gradually stabilize production and circulation.

[illegible]
[illegible] [illegible]

[illegible]

[illegible]

[illegible] Said Left to Vietnamese 21 Feb 90 p 4

[Economic Forum' article by Chan Ba Giao, Dinh Van Thien: "Business, Government Advocacy of Share Managers"]

[text] At the end of January in the office of the Hanh Van Thien Mechanical Party Committee, there was an interesting meeting. It was an exchange of opinions between 40 share managers, representing more than 200 shares, and the Standing Committee of the Municipal Party Committee. The topic of this exchange was expanding the business and management autonomy of the share managers in accordance with the spirit of Resolution Eight. Nearly all these opinions expressed in a straightforward, frank and concentrated manner the true situation of each in the course of the present time; a number of good methods and some obstacles to be overcome in order for the course to operate in a better and more effective manner. The results of this exchange of opinions presented a number of working problems that must be promptly resolved.

[illegible] Two Many Restrictions, Obstacles

The share shop is an economic cell of the collective sector. Every basic and management policy expressing the nature of our system is expressed fully in the share shop. For the part several years, the prolonged situation of state administration has turned the share shops into inflexible administrative organizations, neither performing or helping. With a "hidden reporting mechanism" system, the shops had only a location for implementing the orders and tasks by upper echelons with no need to understand economic and political effectiveness or economic and social life. This situation had an adverse consequence when the system of supply to price stages and share wages books was still in effect. However, the shift to evaluation economic accounting and business practices following the new system revealed too many shortcomings, contradictions and challenges. The share shop plan was not formulated on purchasing power or the need for settlement utility and sources of goods brought into balance. Effective work production origins not through the "direction" of upper echelons [illegible] the share shops to benefit from production and life without forming [illegible] relationship of the administration and the local people. Most of the share shops did not achieve the requirement for "purchasing everything that the people want sell, and selling everything the people want buy." Not much has potential in high-value and easily marketable goods in order to achieve a good volume of business and to seek price differences; production behavior from a function of meeting production and social life. Some small state shops were-

assigned plans to regulations and purchase native textiles for in-place support of a time in which the rural families all had textiles and because small amounts were assigned a long distance, losses were incurred. State stores were allowed only to withdraw cash from the bank in accordance with a plan approved by higher authority to purchase goods recorded in the plan assigned by upper echelons, while hundreds of agricultural and food products, hand-made and individually produced items and foreign goods accepted in small proportion in the area and in cash could be withdrawn for purchasing. This obstruction created a void in the market for private operators to buy and resell, causing obstacles in transformation.

Price prices are under unified management but a number, due to slight regulations, are applied mechanically, preventing the state stores from buying in a flexible manner, such as the prices of fresh food and other goods produced in the local area, etc. In many stores, a situation of commodity losses due to a decrease in quality while "waiting for price approval from upper echelon" had occurred. The inflexibility in price management in the state stores binds the hands of the store manager and creates advantages for the private operator to compete in purchases and sales. Most of the goods elements received for the primary level sale are presently too low. According to the calculations of many store managers, such elements are not sufficient to repay transportation costs much less wages and other expenses. This is because in the basic level sale, the volume of goods is small and therefore, transportation costs are higher than levels 1 and 2.

In the present situation, a state price approval request must pass through three and four steps of upper echelons and a half month before a reply is received. Capital loaned for production to regulations and purchase new goods must go from a district corporation office to the district office challenge for approval and the procedures take 1 to 2 months to complete. Due to the "monthly reporting" system, a store manager desiring to buy a house must also submit an estimate for corporation approval. In the purchasing formula, if the stores do not have the authority to provide advance capital to the farmers in order to control the produce of food and agricultural products, they cannot control the rural market!

New Changes Have Occurred, But They Are Not Yet Widespread

Although many obstacles and restrictions exist, since the appearance of Resolution Eight of the Party Central Committee and Resolution 14 of the Provincial Party Committee on commercial work, many state stores in Binh Tri Thien have been operating in a flexible and effective manner. The Provincial Food and Agricultural Products Corporation and Le Thuy District Trade Corporation have assigned management of trade, labor, wage and circulation expense norms to the state stores. These four primary norms are accompanied by 200 economic and technical norms to assist the state stores in setting levels for each item, each product, each work step and even each individual. After the Tay Lac Food and Agricultural Product Store in the acquired area, it took the initiative to open dozens of sales points. The store previously operated in accordance with administrative hours but now has three continuous shifts replacing each other for sales from morning to night; and store personnel still take goods to all

the agencies and enterprises to sell. Means of transportation for the movement of goods from the warehouse to the stands is no longer rented at a price with impunity but at times is self-transported to reduce expenses and increase income.

The Quang Tri City Market Department Store during one quarter increased the number of products for sale from 300 to 1,000. Every step of the work in the store was given care. According to calculations, the store has supported more than 60 percent of the goods purchase funds of the market-going population. Farmers bringing products to the market for sale receive their money only at 2400 or later. It is also that time before the store brings out the essential goods such as cloth, sugar, monosodium glutamate, paper, student notebooks, etc. for the people to purchase without competing with peddlers.

The Dong Ha City Food and Agricultural Products Store has predeposited hundreds of thousands of dong for the people in order to control pork all the way to the peas; and has instituted wrapping and retail butchering of the product, and the use of bicycles for transportation all the way to subwards and villages. Because the Khong Phu Fuel and Materials Store has given active concern to the supply of materials for many small industry and handicraft cooperatives of the district, it has gained control of the sources of these goods in the local area. The Hai Ren Area Department Store in Trieu Hai has assisted the village marketing cooperatives by transporting goods to the villages for sale anywhere accounts are settled and thanks to that, the villages within a short period of time have overcome shortages of capital and discounts; and from that has coordinated with the marketing cooperatives in the local area to monopolize and occupy the area market.

Many creative and effective methods may be related such as those above in the stores of Binh Tri Thien Province. Although these new features are not great in number or widespread, they express an inevitable trend; that the stores must conduct accounting and management in accordance with the socialist business formula.

Store Manager Proposals

Through 3 days of exchanging opinions, the Standing Committee of the Binh Tri Thien Provincial Party Committee received many proposals and ideas from the store managers concerning elimination of state subsidies and expansion of store manager autonomy. These ideas were concentrated on the following issues:

--Most of the suggestions dealt with plan formulation and assignment. Because the plan must be self-formulated by the store with the purpose of close coordination with the plan for developing production and social life in the local area served by the store, only the fundamental norms of trade business volume, discounts, and the percentage of wages and profits are assigned to the store. The assigned plan must be accompanied by series of economic and technical norms to assist the store in taking the initiative in management and assignment to each team and individual.

--Stores must be permitted to borrow cash from the bank in accordance with their own overall plan in order to take the initiative in controlling goods and exploiting in-place goods sources.

--It was suggested that the Ministry of Home Trade and Binh Tri Thien Province study and institute new regulations on the system of discounts and priority for the primary level units, the locations with the most difficulties in transportation means and highest transportation expenses for which present discounts do not sufficiently compensate.

--Stores must be allowed to set the purchase and sales prices of a number of goods with a nature of seasonal consumption and urgent in-place exploitation (within the price framework stipulated by upper echelons) in order to take the initiative in the market management struggle.

--It was suggested that in a business undertaking, the store manager should have the authority to make advance payment for materials and commodities or provide funds for production in order to actively control goods from their source. Within the purview of the province and district, the store should be given the authority to exchange wholesale commodities with each other in order to promptly resolve stockpiled and unwanted goods, compensating for overages and shortages of goods between locations.

--Concerning apparatus organization, it was suggested that the number of intermediate personnel be reduced in the upper echelons of the store in order that the daily suggestions of the store manager can be swiftly studied and resolved, especially in the offices of corporations, district and city people's committees and commercial services.

A mechanism of expanding the autonomy of the store manager as above is still within the form of norm accounting. A number of store managers also enthusiastically suggested application of an independent accounting system to the stores. This idea must also be supported and strictly examined in the spirit that only with a mechanism of new operations and elimination of bureaucratism and state subsidization will our stores be a "standing bureau of the Soviet administration" as Lenin taught.

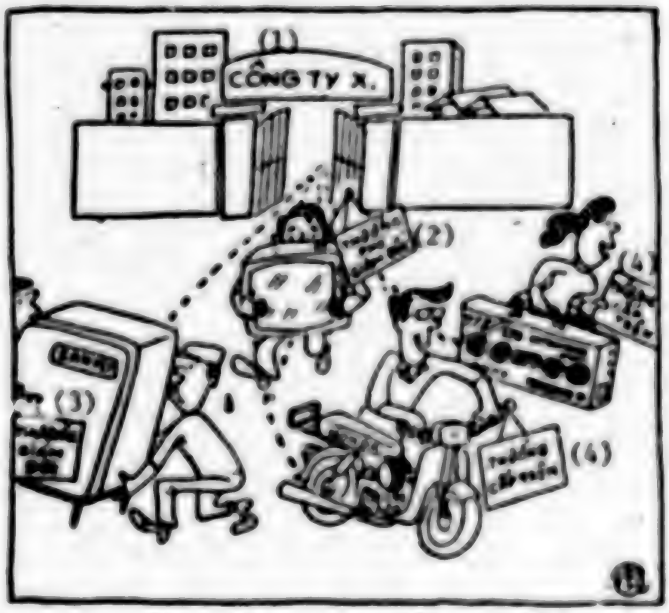
7300
CSO: 4209/187

ECONOMIC PLANNING, TRADE, AND FINANCE

SQUANDERED PROFITS PROVIDE ILLEGAL 'FRINGE BENEFITS'

Hanoi NHAN DAN in Vietnamese 2 Mar 86 p 1

[Cartoon]



The corporation makes no profit but the rewards are many. The superiors are rewarded, the subordinates are rewarded and it is getting out of hand. Collective crooks must be punished straight away.

Key:
1. Corporation "X"
2. Gift for the deputy director
3. Gift for the director
4. Gift for superiors

/9365
CSO: 4209/404

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] [illegible] Small Industry, Modernization Programme Report

Speed, [illegible] Lift in Vietnamese [illegible]

[illegible] by Ha Huong Giang [illegible] "Small Industry and Handicrafts Sector Last Year"

[illegible] Results the Hung [illegible] during [illegible] in the mechanical, energy, [illegible], wooden products, etc.), in the small industry and handicrafts sector of Hanoi, in developing Hanoi economy, primary level production units achieved a commodity value of [illegible] dong (in new currency), equal to [illegible] percent of the planned level. Among all the wards and districts, Hoan Kiem and Hai Ba Trung districts and Hanoi Textile Group in [illegible] percent and Ba Dinh [illegible] percent. These units achieved high commodity values such as Hanoi Silk [illegible] percent, Hanoi Soap [illegible] percent and Tuchinsen Milk [illegible] percent. Generally speaking, Hanoi during [illegible] achieved a level of [illegible] dong in consumer goods in the collective economic sector.

There has a strong change in each producing activity. Beginning the final assembling stages, joint enterprises and associations located in period of the production requirements. Introducing technical advances to production to raise labor productivity and lower product costs, the primary level units expanded from Hanoi Textile Gate Weavings, T-shirt shops, Hanoi Dyed Fabrics, and weaving houses to dyeing more than [illegible] new products. A number of representative products are Hanoi cloth, tai cloth, Chinese medicine machines, medical tables, wood jet, gaskets, flashlights, etc.

Trends of modernization and mechanization are expressed in technical programs. A number of workers and production lines have been successfully developed, a solder and shoes plating machine, a self-drive hollow production line, a line for the production of paper boxes, a [illegible] bath-splitting machine machine, a self-drive line production machine, a machine for making intricate leather tubes, etc.

Last year, despite many difficulties, the small industry and handicrafts sector of Hanoi increased the production base by [illegible] percent. The living conditions of the laborers became relatively stable.

Nevertheless, there are still many shortcomings for which the small industry and handicrafts sector is seeking active methods to overcome. The values of export goods in [illegible] low. The number of successful cooperations [illegible] comprises [illegible] percent of the total. Because investmentsinvestments in [illegible] are low, the management of production units in the lower area in [illegible] low. Cadre personnel were [illegible] and labor cooperations began but the Hanoi-Chemitech co-operation [illegible] accounted for [illegible] percent of the total number in the sector.

LABOR

NEPOTISM IN GOVERNMENT ADMINISTRATION CRITICIZED

Source: SRAD DAN in Vietnamese 2 Mar 86 p 3

[Cartoon]

Key:

1. Oh, uncle
2. Hey, cousin
3. Commerce
4. Oh, uncle
5. Supplies
6. Supervisors
7. Hey, uncle
8. Oh, brother
9. Hey, uncle
10. Finance
11. Trading
12. Hey, pay
13. Foodstuffs
14. A NCF will cause problems

[VNA]
CSO: 4200/1404

HEALTH, EDUCATION, AND WELFARE

PRIMARY HEALTH CARE IN VIETNAM REVIEWED

OW1303608 Hanoi VNA in English 1525 GMT 23 Mar 86

[Text] Hanoi VNA 23 March--The use of traditional medicine in primary health care is the direction for the development of traditional medicine at the mass basis and also a process of combining traditional medicine with modern medicine at the district and communal level.

On the basis of the system of people-funded medical stations, the Ministry of Public Health in 1959 experimentally put traditional medicine in service of the population at a number of commune medical stations. In 1967 it worked out a six-point program for promoting the use of traditional medicine at the communal level in North Vietnam. Since 1976, after the reunification of the country, the Ministry of Public Health has issued many instructions on the enhancement of traditional medicine activities at districts and communes across the country.

The ministry has drawn up a list of 35 medicinal plants and other traditional drugs in various localities for the treatment of seven common diseases and prescribed the use of acupuncture for this treatment of more than 20 kinds of ailment. The Hanoi Institute of Traditional Medicine has prescribed the use of traditional medicine at the district level to treat a number of diseases frequently met at the commune and district such as lesions of the cerebral vessel, acute nephritis, acute hepatitis, poliomyolitis, and the use of analgesic acupuncture to remove teeth, cut the tonsil, and abortion (depending on the capabilities of the physician).

To meet the need of more medical personnel, the medical service or bureau at the provincial and district levels have paid more attention to the training of secondary-level physicians for the communes with particular stress laid on the use of traditional medicine at the commune level (70 percent is traditional medicine and the rest is modern medicine). They have opened short-term courses on traditional medicine for medical workers at the communal level.

The Ministry of Public Health has also intensified the use of traditional medicine at the provincial and central levels with special emphasis on

developing the role of qualified practitioners at the state-run or private consulting rooms.

Over the past 15 years, the ministry has integrated the research on traditional medicine into the general education program of the ministry. During the 1981-85 5-Year Plan, it undertook 17 research subjects in different fields, in theory, methods of prevention and treatment as well as in the study of medicaments extracted from the pharmaceutical materials and from the popular experiences of the population.

Traditional medicine methods stem from starting bases, different from the corresponding methods in modern medicine.

However, it has also brought positive clinical results.

The traditional method of physical exercise (life-sustaining method of exercise) which focuses on functional training as distinct from the method of sanitary exercise which chiefly trains the bodily strength. [sentence as received] The method of acupuncture and massage is a form of traditional physical therapy. Results from the use of acupuncture of different forms for more than 60 different kinds of ailment — tens of thousands of patients show that acupuncture has salutary effects on various symptoms of pain. It has a regulatory effect on functional troubles and is effective in the initial stage of different physical lesions.

From the study of the clinical effect and the use of analgesic acupuncture in about 60 surgical operations of different kinds, it can be observed that analgesic acupuncture is an insensitive method having the effect of raising the threshold of pain-sustainment and helping the patients of suffer the operation safely (it is different from analgesia which means the complete disruption of the nervous liaison and anesthesia which causes temporary paralysis of the neurons).

The traditional method of healing bone fractures combined with some modern techniques has been experimented on more than 10,000 patients. It has been proved efficient with regard to whole fractures, especially among the children and aged people, showing little displacement or complication.

The use of traditional medicaments is the most important part of traditional medicine. The method of diagnosis and treatment for a wide range of diseases as well as the relevant recipes are being studied and applied on an experimental basis before popularization.

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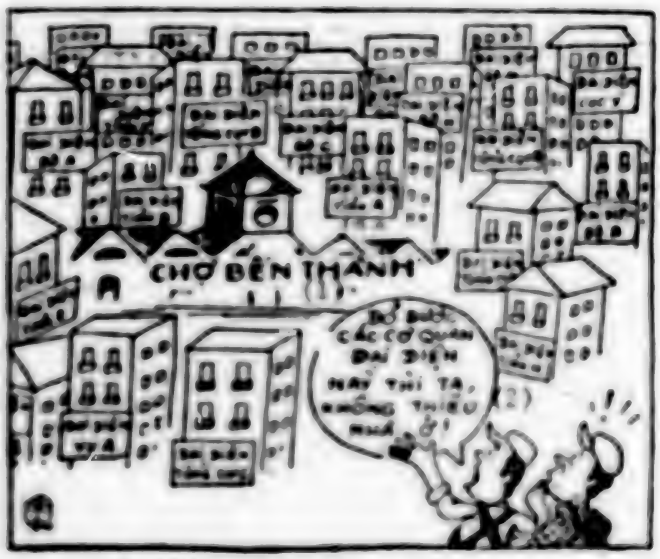
HEALTH, EDUCATION, AND WELFARE

GOVERNMENT BLAMED FOR HOUSING SHORTAGE IN HO CHI MINH CITY

Hanoi NHAN DAN in Vietnamese 2 Mar 86 p 1

[Cartoon]



[Signs on buildings indicate they are occupied by various government organizations]

Key:
1. Ben Thanh Market in Saigon
2. There wouldn't be a housing shortage if we could get rid of all these official groups.

/9365
CSO: 4209/404

POPULATION, CUSTOMS, AND CULTURE

READER'S FORUM ON ALLOWANCE FOR DISABLED VETERANS

Hanoi DAI DOAN KET in Vietnamese 18 Dec 85 p 14

[Reader's Forum: "Recalculating the Allowance for Disabled Veterans According to the New Regulations"]

[Text] [Question] What are the regulations regarding the change in the pension and the recalculation of allowances given to disabled veterans as they were guaranteed to them before 1 September 1985?

[Answer] a) In cases of those disabled veterans who are entitled to a pension, one must base oneself on the former salary level of the person concerned at the time he was wounded and then change that to the new salary level corresponding to the same rank and steps plus the seniority subsidies (if any) in order to recalculate the disability allowances.

b) In cases of disabled veterans who fought in the war against the French, if they were cadres of the rank of platoon leader or higher when they were wounded and if they were entitled to disability allowances, such as those receiving living allowances, one should base oneself on their function at the time they were wounded and translate them into the new salary range corresponding to their ranks at the time. For instance, a platoon leader or a political commissar at platoon level would translate into the salary of a second lieutenant, that is 300 dong. A battalion second in command or a political commissar in second place in a battalion translates into the salary of a first lieutenant, i.e. 322 dong. A battalion commander or a political commissar attached to a battalion would translate into the salary of a captain, that is 350 dong, and so on. Thus, in every case one bases oneself on the function held by the person at the time he was disabled and translate it into the new salary scale applicable to the new and corresponding military ranks.

On the Subsidies System Applicable to the Families of War Deads

[Question] Those related to many war dead, such as women who have lost both husband and son or who have lost two or three sons, what kinds of subsidies are they entitled to?

[Answer] Those eligible to subsidies include the war dead's parents, his or her spouse. As for the family as a whole, the way to calculate the subsidies is that each war dead entitles one eligible person to one flat subsidy unit. Each such unit is 40 dong.

For instance, if the family has two war dead among the sons, then the father is entitled to 80 dong and the mother also is entitled to 80 dong. If they have three or four sons as war dead, then the benefit going to the parents would correspondingly increase. A family which has lost one son and the husband or the wife also entitles the surviving spouse to two subsidy units, that is, 80 dong.

[Question] Are close relations of war dead who are receiving retirement pensions and other subsidies, such as disability or other health benefits, entitled to war death monthly benefits?

[Answer] Besides the above-mentioned retirement pensions and subsidies, close relatives of war dead are still entitled to the monthly benefits deriving from war deaths.

The Regime Applicable to Those Who Are Meritorious Toward the Revolution

[Question] What regime are families entitled to which have many members engaged in helping the revolution? And what is the level of benefit each person is entitled to?

[Answer] In the case of a family with many members helping the revolution, the person identified in the award decision will receive privileged subsidies. As for those others also listed in the award file, they will be taken care of and assisted on an as-needed basis.

There are two levels to the privileged subsidies:

1) Those recognized as having done meritorious deeds for the revolution before the August 1945 Revolution and who have been awarded the medal "The Fatherland Recognizes Your Merit" or given the certificate "Meritorious Achievement Toward the Country," who are now past the laboring age, receive a monthly privileged subsidy of 50 dong each.

2) Those determined to have done meritorious deeds for the revolution during the resistance and who have been awarded the "Resistance Medal" and who since have grown past the laboring age, receive a monthly privileged subsidy of 40 dong each.

Persons entitled to the above privileges, when they grow old and weak, when they no longer can work, and whose families are not able to take care of them, are sheltered and fed in state establishments or those run by the village or subward. The living allowances for each person in these categories are 160 dong per month.

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POPULATION, CUSTOMS, AND CULTURE

COUNTERFEIT GOODS IN HANOI UNDER ATTACK

Hanoi DAI DOAN KET in Vietnamese 18 Dec 85 p 14

[Article by Khanh By: "Counterfeit Goods and Trade in Counterfeit Goods in Hai Ba Trung Precinct, Hanoi"]

[Text] Hai Ba Trung is a large precinct in downtown Hanoi.

Because of its complex nature as a base of operations, the criminals at work in the precinct carry out their operations at different peak periods and they compete with one another to produce counterfeit goods.

The counterfeit goods that they produce and trade are usually those essential goods needed to serve the people. Industrial counterfeit goods include bicycle tires carrying the label "Sao Vang State Enterprise," Dong Da labeled bicycle pedals, cream soap with the label of "Duc Giang Soap, Hanoi," and Song Cau labeled cigarettes, etc. Counterfeit goods in the drink and food categories include bottled beer bearing the label "Hanoi Beer" or "Truc Bach," Hai Ha wrapped candies or coffee candies, nougats, "fish sauce" made out of dried banana leaves, etc. In the drug categories the counterfeit products include tetracilin (TX), clorocid, penicillin, and so on, made out of vegetal materials or out of cereals mixed with a small dose of the real thing depending on the kind of drug they need to fake so as to give a flavor of the thing.

One typical instance is the case of Vu Van who produces counterfeit soap in relatively large quantities, which he sells in the free market. Working on leads and with the assistance of the local people and authorities, the economic police force of the Hai Ba Trung Precinct Public Security checked the home of Vu Van and confiscated 486 boxes of cream soap in finished form with the label "Duc Giang Soap, Hanoi" and all the tools of his trade plus a good amount of raw and other constituent materials. The precinct police have drawn up a report and proposed that the precinct people's court sue Vu Van in court. While free on bond awaiting the day of the trial, Vu Van once again committed the same crime and continued to produce counterfeit soap. Raiding his home, the police found and confiscated another 51 boxes of finished counterfeit soap carrying the label "Hanoi Soap" plus 250 plastic boxes used as containers for the soap, not counting the raw and other constituent materials and the tools of his trade.

The counterfeiters do not merely employ tricks to cheat the consumers, they also link up with state employees to trade in counterfeit goods and get the real goods out of the warehouses for sale outside. Luong Thi Thuy used to be a pharmacist working for a drug warehouse. Unable to retain the nature and qualities of a cadre working in a state organ, Thuy was hooked into the network of Thi Duong, a private merchant specializing in modern drug-speculation schemes in Dong Da Precinct, and so they had an understanding whereby the latter would pass into the warehouse counterfeit goods and trade them against real ones. This amounted to over 10,000 pills of various kinds, including TX, "Se Da," penicillin and chlorocid, which they sell and then split the proceeds.

To have the counterfeit tires, especially the "Sao Vang" and "Sao Vang Do" varieties, look as good as the real thing, Le Manh Huy, besides hiring skilled hands to come up with beautiful press molds that exhibit the exact proportions of the real "Sao Vang" tires, also cooperates with highly skilled workers from the Sao Vang plant itself so that they work as advisors to him in the manufacture of the rubber and in the pressing of the tires. With expert control of the pressing techniques and having beautiful molds, and using select and carefully manufactured rubber, Le Manh Huy produces his so-called counterfeit tires with the label "Sao Vang State Enterprise." His products, which are being sold in private stores or at illegal concentration points, especially at the Hoa Binh Market (the Flea Market), become indistinguishable from the real thing. The manufacture of counterfeit antibiotics by the couple Le Trung Hieu and Nguyen Thi Mai in Minh Khai Ward is similar. This couple lives essentially on earnings from various concentration points in Hanoi. They hire technically skilled personnel to create the stamping presses for tetracilin, cholocid, penicillin, and various cold pills. At the same time, they buy real sulfamid pills in large quantities, then they have them crushed and mingled with rice flour and a small proportion of antibiotics depending on the kinds they try to produce. Each day, they thus manufacture thousands of antibiotic pills like that.

The counterfeit goods include those that require minimal labor expense, for instance, the "fish sauce" made out of dried banana leaves mixed with a little salt and some real fish sauce for the flavor. Again, in order to have counterfeit bottled beer labeled "Hanoi Beer" or "Truc Bach" Beer, the counterfeiters seek to buy bottles containing the real kind when they go on sale--even though this may mean their quality has deteriorated, then they mix into the beer a certain dose of gas soda of urea before they bottle them again and press the lid tops on them. They then boil these bottles for 10 to 15 minutes before they put the labels on and sell them to private refreshment places.

In the first 6 months of this year, the economic police of Hai Ba Trung Precinct have retrieved for the state 10,473,500 dong, 3,000 counterfeit beer bottles, hundreds of counterfeit bicycle tires and tens of thousands of modern drug pills, hundreds of kilograms of counterfeit soap bars, etc. The criminals have all been brought to court.

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POPULATION, CUSTOMS, AND CULTURE

'MODERN DICTIONARY' DEFINES TERMS

Hanoi DAI DOAN KET in Vietnamese 18 Dec 85 p 15

[Item contributed by D.V.T.: "The Dictionary"]

[Text] Thank you, excuse me, yes, I hear: Terms which are unpronounceable to an "uncultured" person.

Beer: A type of refreshment consumed at the foot of a tree or electric pole, on sewer lids, and anywhere on the street curbs.

Kilogram: A measure of weight corresponding to 950 grams and sometimes to 900 grams or even less.

Bus: A passenger means of transportation that can carry passengers up to three times the number of seats available. Those with indigestion should go on this type of transport.

Brother, do you have something to sell? This is the language of a kind of "cicada" that one hears yearround near the counters of state-operated stores.

Wedding banquet: A form of eating and drinking business that can bring back a high profitability level if one has experience working in it.

D.V.T.

(51 Dai Co Viet, Hanoi)

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